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Why unions are running scared in '68

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Nation's Business

June 1968 Vol. 56 No. 6

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
5,000,000 companies and professional and business men
Washington, D.C.

7 WASHINGTON: A LOOK AHEAD

Same old woes face new Congress no matter which party moves into White House or takes over legislative branch

18 EXECUTIVE TRENDS: Overlooking an asset?

Here's one way your firm may have unrealized opportunity to turn a profit; how to tap manpower pool; in case of riot...

25 WASHINGTON MOOD: Of blunders and humor

Presidential campaigns are one of our most exciting and exacting ordeals—and the campaign of 1968 is no exception

29 STATE OF THE NATION: Hints for commencement

The campus is in ferment, and the reasons why should give commencement speakers a timely theme for their orations

33 RIGHT OR WRONG: Panaceas and empty promises

Our National Advisory Commission on Civil Disorders is author of a report that may haunt it later—as well as us

36 Why unions are running scared in '68

They're working harder, and spending more than ever, to block any reform of the NLRB's version of our labor law

40 Will new monopoly force up prices?

Move in Congress would apply bargaining power like that of labor unions to the marketing of U. S. agricultural products

44 A new Speaker of the House?

Republicans have an ex-football star waiting on the bench if they gain 31 seats, and become the majority party there

48 The wrong medicine for a sick dollar

An interview with Charles Sommer, Monsanto president, on foreign investment curbs and the effect they are having

55 The changing association environment

How 12,000 voluntary groups, members of American Society of Association Executives, respond to a fast-changing world

56 The business environment

58 The governmental environment

60 The human environment

64 The physical environment

70 TOMORROW'S BUSINESSMEN: Their West Point

American collegiate schools of business train tomorrow's captains of industry; here's what they are learning there

72 BUSINESS: A LOOK AHEAD

Citrus pellets may be next; British bank mergers seen as new competitive force; education role forecast for admen

75 What the voters want now

76 In the cities

A Congressman tours his district and finds that riots and general lawlessness are major concern of urban dwellers

82 Outside the cities

Major problems disturb people whose economic life is tied to the land, but problems close to home are ones felt keenest

90 How platform-makers see the issues

State chairmen across the nation are deciding now what they want in political platforms, with emphasis on law and order

99 LESSONS OF LEADERSHIP: Investing in people's future

A conversation with James F. Oates Jr., chairman of the board of Equitable Life Assurance Society, on human needs

104 Why costly government

Take wrathful charges by federal officials with at least a grain of salt—that's moral to draw about cost estimates

Cover photograph: William A. Graham

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$23.75 for three years; Canadian \$9 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1968 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. **Postmaster:** please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



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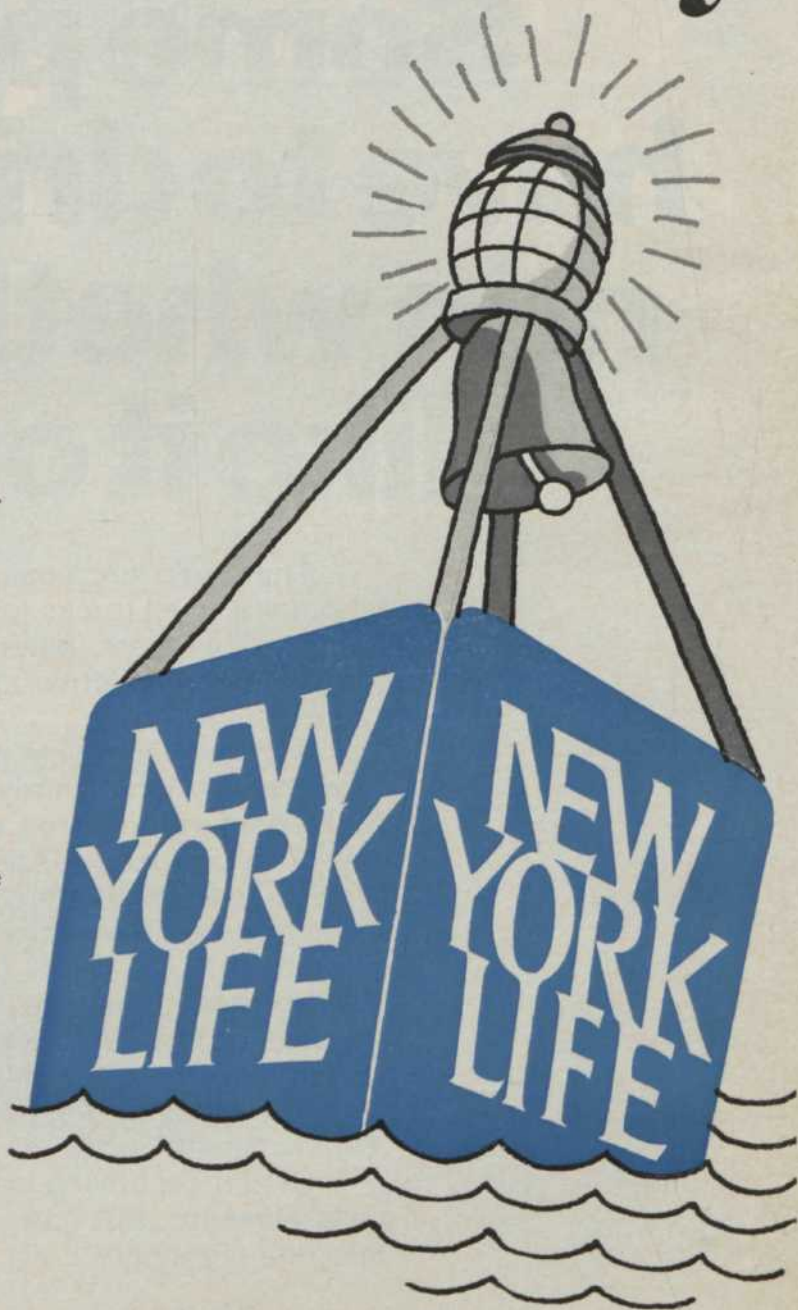
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WASHINGTON: A LOOK AHEAD

The Ninety-first Congress convening in January will inherit many of the same problems facing lawmakers today regardless of who moves into the White House or which party controls the legislative branch.

The fight to cut back deficit spending will continue to be uphill.

Even if the Viet Nam war is ended—hardly anticipated by anyone since peace negotiations will be drawn out—the United States is virtually committed to a massive rehabilitation program in that war-racked part of Southeast Asia.

Furthermore there are certain to be big demands for an immediate, drastic switch from military spending to curbing ills of big cities.

Key Congressional sources ridicule the idea that poverty programs be financed at the same dollar-to-dollar level as big Viet Nam war budget.

But no doubt more and more money is going to be earmarked for the poor. Big question: Will it be new money or will other programs be trimmed?

New wave of racial violence this summer may temper pace of Congress on ghetto help. Many in Congress bridle at passing what some call "blackmail" legislation. Mood of the nation also seems to match: People want to help the poor, but balk when threat of riots is used to push demands.

Major spending—if the Viet Nam war slowly comes to end—will shift to health, education, housing and job-training programs.

One major area in the social welfare field to surface is guaranteed annual income. The idea that present welfare programs just aren't doing the job is almost universal. Many say some sort of concept of negative income tax or guaranteed income is certain to come up for thorough airing.

This is true whether Republicans win the White House and House, or either one.

Economy-minded Congressional leaders worry that the country cannot continue long to function under repeated multibillion-dollar deficits. The influence of these men is such that proposals for re-evaluation of government programs—like the one being pushed by Ways and Means Chairman Wilbur Mills—are almost certain to get serious consideration. The thought is that such a study could pinpoint the fact that some old-line, big spending programs are not doing the job intended.

Such a study could be tough on many bureaucratic agencies that have grown like Topsy in past decades. The big money is now ticketed for social legislation.

A Hoover-type commission to overhaul the whole federal establishment is sure to be popular with the average citizen, as well as gaining favor in Congress. The belief that government is too big, with too much duplication, too much waste is widespread in the nation. The last study was made 20 years ago. A whole new group of alphabet agencies and extensive enlarging of other departments has taken place since.

The duplication issue is certain to be a big argument pushed for restudy of government. Hundreds of essentially similar programs are now being administered by scores of agencies.

Expected theme: Put all welfare programs under the Department of Health, Education and Welfare; all labor under Labor Department; all housing under Housing and Urban Development. Resistance will come from such departments as Agriculture, which doesn't want to give up any power. Other old-liners feel the same way.

HUD is expected to take on new importance. Housing legislation is certain to be big in the

WASHINGTON: A LOOK AHEAD

next Congress, but the emphasis is likely to center more on rehabilitation of existing housing rather than on a broad new building program. Experts within HUD are quietly pushing this, know it takes far more time to build housing from scratch than to repair it. This tactic also avoids big fights over urban renewal, with the poor claiming they are being pushed out of homes and given no place to go.

A shift toward a more conservative Congress could make things uncomfortable for labor.

An effort would be made to cut back government-sanctioned union power.

In this event action might be taken on a number of pending bills. One would abolish the National Labor Relations Board, another remove union exemptions from antitrust scrutiny, and a third would reaffirm the employer's rights to free speech and to make management decisions without consulting unions.

But a mildly pro-union Congress would continue to push for general collectivist legislation indirectly increasing union power. In that case, look for a push for still higher minimum wages, broader social security programs, more government controls over business, especially in on-the-job health and safety, and strengthening of the Equal Employment Opportunity Commission.

If Congress is heavily loaded with men beholden to unions then watch for organized labor to show its muscle on Capitol Hill. This would signal drive for scuttling Section 14 B of Taft-Hartley law, seeking more secondary boycotts for unions, and beefing up NLRB's already hefty powers.

The Ninety-first Congress may finally get a tax reform package from the White House. Senate Finance Committee Chairman Russell Long of Louisiana is an ardent advocate of a tax form that average taxpayer can understand.

In pushing for tax form simplification, Long would like to tax all gain or income from whatever source without adjustments such as deduc-

tions, credits, exemptions, etc. He'd give option to taxpayer: Use simplified form or continue filing current complicated document.

Pressure is building to create a new federal Department of Consumer Affairs. There's no question the new Congress also will be consumer-oriented. Much legislation aimed at further wooing of the consumer will be dropped in the hopper early in the session.

Another subject that will get a serious working over in Congress is American foreign policy. It's due for a big reappraisal. If the new Administration won't lead, Congressional committees will. Most politicians are anxious to avoid new Viet Nams. Foreign aid, highly unpopular over the country, is due for even more cuts in money, and tighter strings on who gets it. This is sure to bring any Administration into conflict with Congress.

Military-minded lawmakers are fearful that the defense establishment, heretofore sacrosanct, may take second place to social programs. They're afraid the nation is growing complacent over the Russian threat, see this as a bad mistake, which could lead to confrontations this country doesn't want, and is in no shape to face, simply because Russia will read cutbacks on military spending as sign of weakness.

Big questions persist. Will there be a slowdown in our antiballistic missile system, other long-range military programs, some of them in a futuristic, space-age vein? What about the race to the moon? The space program could be in real trouble. Mars and Venus are planets too far away to many who are troubled by ills on this earth.

What happens, which direction we move, will be clearer in the next two years. A new President has only this much time to make his ideas work, if history is correct. Disenchantment comes for any Chief Executive after two years. Lyndon B. Johnson found this the case. So did FDR, Woodrow Wilson, many others.

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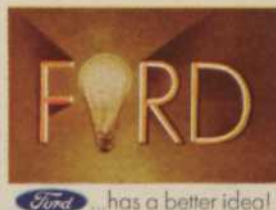
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Senators disagree on job bias commission

To the Editor:

In an article in your March issue, "Does Washington Force Racial Bias?" our colleague, Sen. Paul Fannin, presents a view of the federal Equal Employment Opportunity Commission as an all-powerful tyrant bent on insisting on a quota approach to eliminate racial discrimination in employment, with no regard to the qualifications of minority group applicants to fill the jobs.

The article also attacks our bill which is designed to give the Commission the power to issue cease-and-desist orders. It charges that under our bill no appeal would lie from the decision of the Commission, no individual investigations to establish substantial evidence of unlawful discrimination would be necessary, and that the practical effect of the bill would be to create a presumption of guilt.

With all deference to our colleague, we submit that Senator Fannin's charges—both as to the Commission, and as to our bill—are groundless.

The fact of the matter is that under present law the Commission has no real power at all; its function is to investigate possible instances of discrimination and attempt to reach voluntary conciliation agreements.

If no agreement is reached the individual victim of discrimination must bring his own lawsuit unless the discrimination is pervasive enough to justify a suit by the Department of Justice under the "pattern or practice" section of the law.

Thus, there is no possible basis for the claim that the Commission has forced any employer or union to do more than the law requires. Any party faced with an allegedly unreasonable demand by the Commission could simply have refused to agree to it, in which case the matter would have been finally determined by the courts.

Our bill would merely transfer from the courts to the Commission, where it belonged in the first place, the initial decision-making and order-framing power. There would

be no presumption of guilt under the bill, and the Commission's orders would not even be self-enforcing.

As to the case of the National Labor Relations Board, its orders could be enforced only through an order of a United States Court of Appeals, which would have full power to set aside any of the Commission's findings not supported by substantial evidence on the record considered as a whole.

Although we have made great strides in recent years in eliminating discriminatory employment practices, particularly against Negroes, racial discrimination in employment remains one of the most pervasive and difficult problems to be solved if we are to have any hope of stopping the drift to what the Riot Commission aptly characterized as "two societies, one black, one white—separate and unequal."

We believe that the problem can best be dealt with by an administrative agency such as the Equal Employment Opportunity Commission, having effective power, subject to adequate court review, to redress violations of the law. This is the approach which has already been taken under a number of state fair employment practice laws, including those of New York and Pennsylvania.

We are also aware that no matter what power the Commission is

granted, its efforts will not be successful unless and until it receives the full cooperation of the American business community and labor movement. We believe that the American businessman, when he pierces through the rhetoric of fear to the unfeared facts, will extend that essential element of cooperation.

SEN. JOSEPH S. CLARK, DEM.-PA.

SEN. JACOB K. JAVITS, REP.-N.Y.
Washington, DC

OEO protests

To the Editor:

Put it any way you like, the war on poverty is not a "huge bureaucracy." Even putting it as you did last month in your facetious farewell to Sargent Shriver ["No Bureaucracy?"], the charge is false.

In a casual disregard for facts, you accuse the Office of Economic Opportunity of having more "highly paid staff members" than the total of nine other government agencies. By "highly paid staff members," we assume you mean the "Supergrades" (from \$20,982 to \$27,055 a year). Actually, OEO has 59, compared to 153 for the agencies listed by NATION'S BUSINESS. Information on the Joint Chiefs of Staff, one agency on the list, is classified and not available to us, so perhaps you are being given secret information unobtainable by another government agency.

For the record, most of the agencies named by you do not operate programs, but are small, specialized units. For instance, National Security Council, 48 people; Office of Science and Technology, 65; Commission on Civil Rights, 162. So you are trying to compare apples and bananas. OEO, with 2,900 employees, nationwide, is just about the smallest program-operating agency in government. Let's take average

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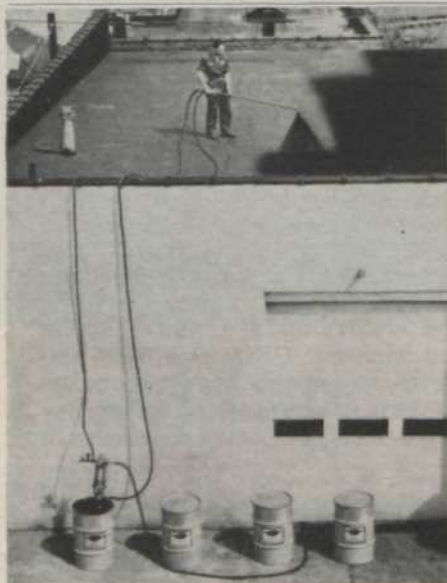
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Business opinion:

salaries in some of these organizations you listed: National Security Council, \$12,788; Bureau of the Budget, \$14,241; Commission on Civil Rights, \$10,758. We're third from the bottom of the list with \$9,923.

Or, take the dozen or so units that parallel the OEO in function, and compare the "supergrades" to the number of other employees. National Labor Relations Board has one supergrade for each 18 people in the agency; in Civil Aeronautics Board it is one to 41; in Bureau of Budget, it's one in each six employees; in OEO the ratio is one to each 56 employees. As for the agencies listed by you, with the single exception of Selective Service, the best score was one "highly paid staff" employee for each 23 people. The Selective Service System employs several thousand clerks for the country's local draft boards.

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Your gratuitous parting shot at Sargent Shriver was not only infelicitous but unfactual and unworthy of NATION'S BUSINESS.

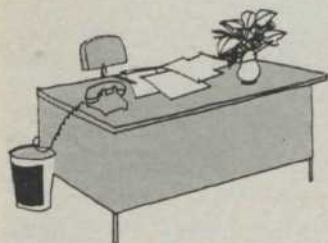
HERBERT J. KRAMER
Director, Public Affairs
Office of Economic Opportunity
Washington, D.C.

Editor's note:

The poor people OEO is supposed to serve would consider GS-10 employees (\$8,421 to \$11,013 a year) and above highly paid. Such employees on OEO's payroll total 1,364, compared with a total of only 1,092 for the National Security Council, Arms Control and Disarmament Agency, Office of Science and Technology, Council of Economic Advisers, Budget Bureau, Civil Rights Commission, Selective Service System, Joint Chiefs of Staff and White House office.

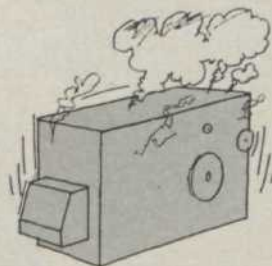
The number of civilian employees

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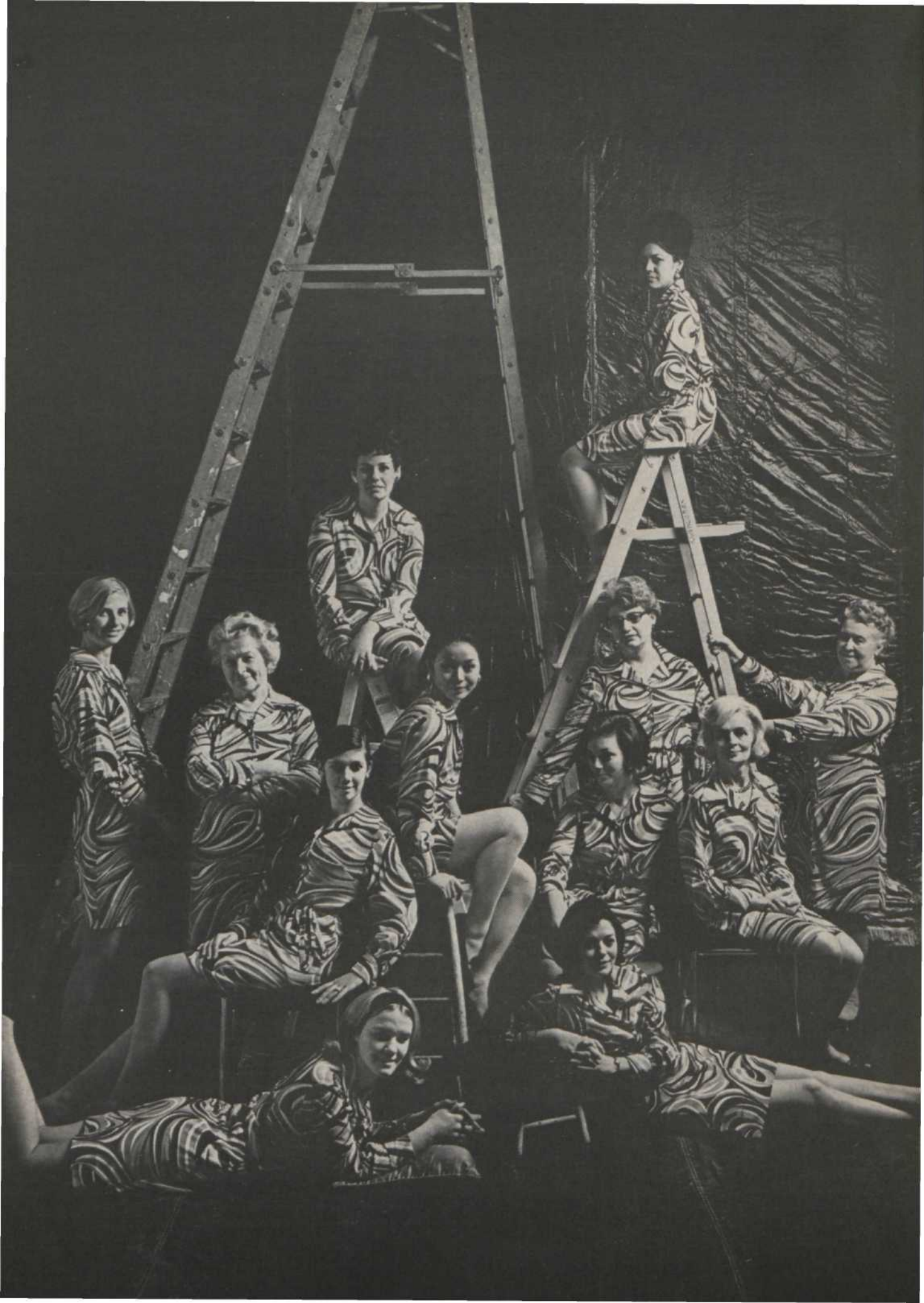
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When the women of America want to wear the New, New Look, they won't take "next month" for an answer.

In the garment industry, the difference between success and failure can be summed up in one word.

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Speed in getting out thousands of good, inexpensive copies of the newest style.

This is why a lot of pattern makers in the industry rely on GAF's Ozamatic® copiers. With these duplicating machines, they get fast, yard-wide, 60-foot-long Ozalid® diazo copies of the original patterns.

And they get them cheaper, faster and more precisely than by any other method.

This simple copying system that helps make dresses faster has also helped architects and engineers to plan cities and design supersonic jets. Even more exciting uses for diazo copying — from microfilming to visual-aid transparencies — will add to its growing usefulness in the future.

But of course, the future is GAF's business.

And, it's a good business. In the past three years our concern for the future has tripled the size of GAF. It has also created exciting new products like nature-proof Ruberoid® building materials and high-styled floor coverings, advanced Gafax™ copying machines, new Anscochrome® color films, automatic cameras and projectors, and chemicals for everything from detergents to deodorants.

Because our name belonged to the past and not the future, we've changed it. General Aniline & Film Corporation is now G A F Corporation.

It's as simple as saying G...A...F. Three letters that spell the future.



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Business opinion:

of the Joint Chiefs of Staff is neither classified nor unavailable.

To the Editor:

Your personal attack on Sargent Shriver in the May issue of *NATION'S BUSINESS* is unbecoming to the official publication of the Chamber of Commerce of the United States.

In the last year the official policy of the U. S. Chamber has indeed become enlightened from the main accent of its national convention in 1968 to the special seminars on the urban poor, studies on the guaranteed annual wage, and concentrated efforts to involve local businessmen in the problems of the poor, the hard-core unemployed and other urban problems. In the Roanoke Valley, our Chamber of Commerce and its members have become involved. Businessmen here are working toward solving our community problems and developing unused human resources.

All of this started with the anti-poverty bill. The first real attention given on the national level to these problems was from the Office of Economic Opportunity. No one knew what to do or what course to follow. All that was known was that 20 per cent of our people were not participating in our society.

Congress created the Office of Economic Opportunity and charged Mr. Shriver with the responsibility of developing programs to help solve the problems. He is a dedicated public servant and did a masterful job. All of the money spent has reached the poor—not in handouts or welfare but in opportunity and new educational and training programs. The Office of Economic Opportunity has developed perhaps the most competent and dedicated staff of professionals searching for the answer to these pressing problems and in a very short period of time.

Your criticism of the number of professional people on the OEO staff is like criticizing the number of teachers in a school system. Where else should the money go than to the teachers and to the people who will develop the program? For you to imply otherwise indicates that you have no understanding of the program.

But the most tragic part of your inexcusable criticism is its destructiveness and total absence of an alternate constructive program. Irresponsible general charges cause people to lose faith in a worthwhile

program and pull the rug out from under the businessmen, such as those in our valley, who are conscientiously trying to solve the problem.

We need help from the U. S. Chamber and publications such as yours in solving these urgent problems. One thing we do not need is a total negative approach, personal criticism, intolerance and complete lack of recognition of the good parts of a vital program.

CABELL BRAND

President
Ortho-Vent Shoe Company, Inc.
Salem, Va.

Editor's note:

Several positive, private enterprise programs are at work, including the National Chamber's "Forward America."

German American Chamber

To the Editor:

Your comprehensive and, I might add, well-written article on the role of Chambers of Commerce in the United States ("200 Years of Business Leadership," April, 1968) mentions three foreign-oriented chambers serving American business interests.

Alas, our organization, a member of the Chamber of Commerce of the United States, was not included. Yet we have few if any equals in the scope of our services.

Nor was our *German American Trade News* mentioned. It served as a model for the British Chamber's *Trade News* when that publication made its debut some years ago. Our other publications—books, newsletters, pamphlets—were also overlooked.

For your orientation and possible "reassessment"—to borrow a political term—of our function, we have taken the liberty of putting your name on our mailing list.

FRED F. A. JACOBSON

Editor
German American Trade News
German American Chamber of Commerce
New York, N. Y.

A growing giant

To the Editor:

Your article, "The Future of 34 Industries" [April] was very enlightening; however, I am surprised you forgot the fifth largest industry, "The Food Service Industry," a \$30 billion giant, that continues to grow.

RICHARD S. JACKSON

President
Sequoia Foods, Inc.
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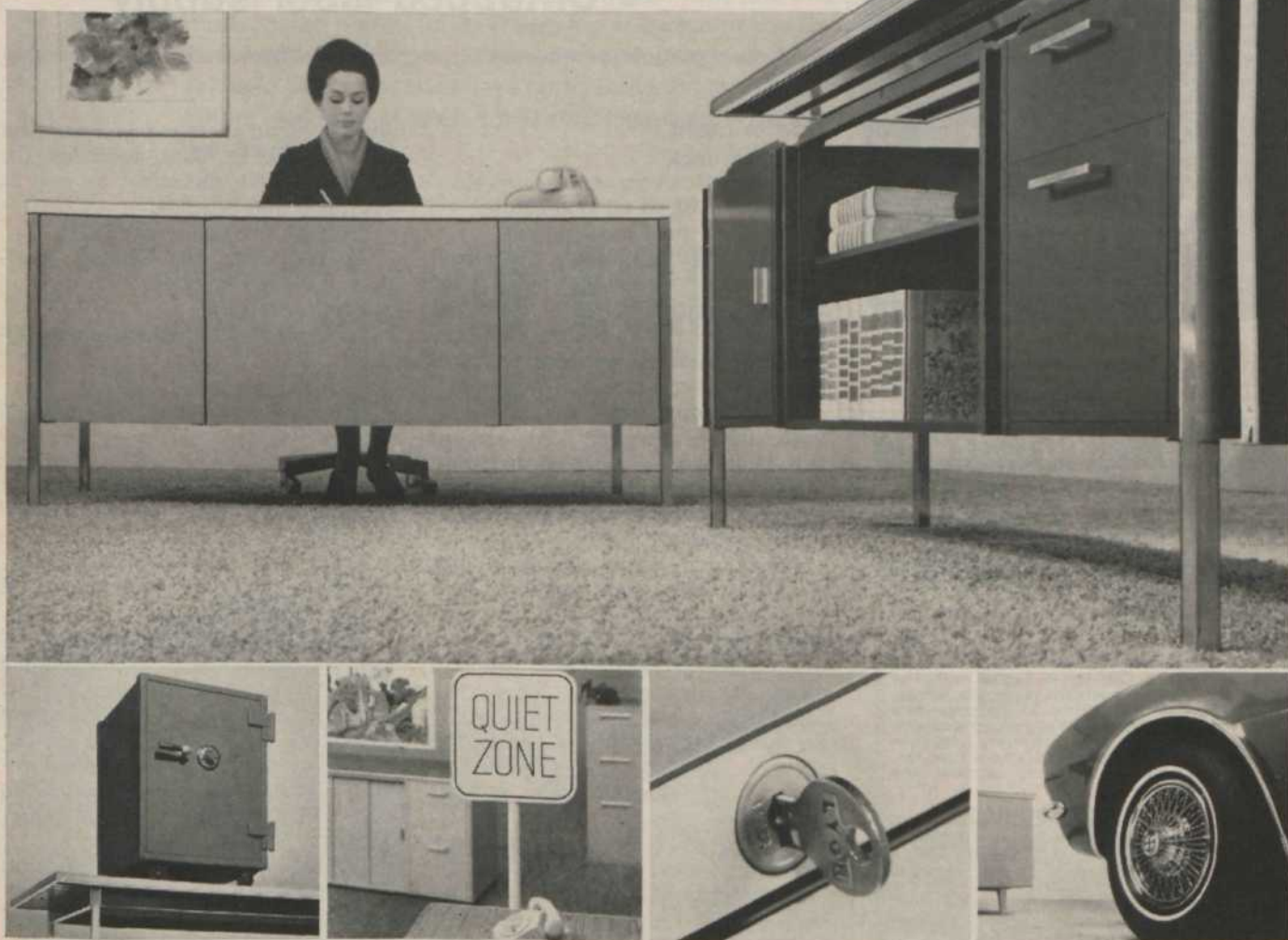
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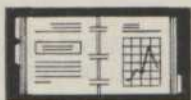
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SATISFACTION GUARANTEED

Executive Trends

- Overlooking an asset?
- When summer comes
- Untapped labor supply

How to make an extra buck

"Don't just sit on real estate.

"Make a profit out of it."

This is the advice one industrial real estate consultant offers. "Real estate's an asset," C. Everett Steichen, senior vice president, Larry Smith & Co., Inc., points out. "Executives can mold it to create profits."

He cites one paper company with vast timber holdings. Management saw it only in terms of paper pulp—until it was pointed out that selected sites, put to other uses, could mean a windfall.

Many companies, he says, buy too little when they acquire a new plant site. Broad market research might show that the value of adjoining acres will climb, once the firm moves in.

"It often pays to buy some of it," he advises, "to capture the added value."

But land values go down, as well as up.

New York City offers a prime example.

In 1942, land along Park Avenue between 42nd and 50th St. was valued at an estimated \$70 a square foot. Today, it's said to lease at the equivalent of \$500.

But much Manhattan real estate, blighted or slum-ridden, is priced lower than it was 40 years ago.

It's golden— like silence

Brevity, that is.

At least this is true when writing business letters. And it's an economy that's not to be sneezed at.

Latest, 1968 statistics from The Dartnell Corp., Chicago, show that

the cost of an average business letter is now \$2.54. That includes the boss's time for dictating, as well as overhead and postage.

In 1960, the figure was \$1.83.

To cut costs, the Chicago business publisher suggests:

- Shorter letters.
- Increased use of dictation equipment.
- More phone calls.
- Maybe form letters, or standard replies.

Ready for the summer?

Hope—and work—for the best.

But be ready for the worst, if it comes.

That's the prudent policy to follow, Machinery & Allied Products Institute warns executives. And if you're in a riot-prone area, here are some items it suggests you check:

- Is your computer in a safe location? If not, can you switch to other EDP facilities in an emergency?
- Is your switchboard secure—and other communications?
- Do you have a duplicate set of vital corporate records? Say, accounts receivable and payable, blueprints, payroll and engineering records, feasibility and marketing studies? If so, are they in a fireproof location?
- How about critical parts? Can you make them in a plant that's away from trouble areas?

Hopefully, summer will not bring violence. But just to be prepared, MAPI has compiled a 14-page checklist of anti-riot precautions executives should take. It's \$2.

You may find two brief, National Retail Merchants Association bulle-

As rugged as the country it was built for

Over 20 years ago we began building trucks designed to stand up to the mountains and deserts of the rugged West. Trucks like the big INTERNATIONAL® 400 Series.

Then a strange thing happened. The 400's started showing up in Nebraska, Iowa, Indiana, and Ohio. Orders started coming in from Maine, New York, New Jersey, and points east.

How come? Truck buyers figured if the INTERNATIONAL 400 is tough enough to conquer the grinding mountain runs and blistering desert heat, it's more than a match for anything the Midwest or the East can dish out.

And they're right. This truck is as tough as the Western Country itself. It has to be . . . because if we didn't build the best trucks in the West, or everywhere else for that matter, we probably wouldn't be the heavy-duty leader that we are today.

"Build a truck to do a job—change it only to do it better"

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Why do so many firms prefer doing business in Armco Buildings?

An Armco Building helps give a business a good public image, for one thing. Its clean lines and sculptured wall panels bespeak high quality and good taste.

Smart businessmen recognize that this quality pays off in attracting customers and keeping operating expenditures to a minimum.

This marked high quality extends throughout the entire Armco Building System, from structural components to the skilled workmanship performed by the Armco Building Dealer who erects your facility.

Whatever facility you need—store, warehouse or plant—your local dealer will design and construct it to meet your specific requirements.

Call him today (his name is in the Yellow Pages under Buildings-Metal). Or write to Armco Steel Corporation, Metal Products Division, Department M-1288, P. O. Box 800, Middletown, Ohio 45042.



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EXECUTIVE TRENDS

continued

tins useful, too—"Riot Precautions" and "Guarding against Arson." They're free. Write NMRA, 100 West 31st St., New York 10001.

Giving them the once-over

Private eyes have a new field.

Checking out executives before a firm hires them. And even screening lower echelon employees, such as salesmen.

"When it costs a corporation \$20,000 a year in the man's salary alone," Howard Nugent, assistant executive vice president, Pinkerton's, Inc., points out, "the firm doesn't want to gamble."

What the corporation wants to know about a new executive is not just routine data—like education, character, credit standing. It wants an in-depth probe that will reveal real scope of his previous duties, his ability to make decisions and leadership qualities.

One firm had 28 sales applicants checked out, and rejected eight, as a result. The screening cost it \$60 an applicant. But the firm considered it a bargain. "We would have lost \$8,000 a man, if we had picked lemons," an executive comments.

Tips for tape watchers

T 51½ • 2s¼

Make sense?

Ticker-tape watchers know these symbols say that 300 shares of American Telephone and Telegraph Co. were sold.

One lot at \$51.50 a share; the other at \$51.25.

T, of course, is the New York Stock Exchange's symbol for AT&T.

The 51½ means that 100 shares (the basic unit of trading for most stocks) sold for \$51.50 a share. And 2s¼ means that another 200 shares of AT&T were sold—this time at 51¼, or \$51.25 a share.

The dot • is used here simply to separate the two different transactions.

Some brokers say that if you can't read the tape, you're missing a lot of information. The tape gives a blow by blow account of what's happening on the trading floor of the stock exchanges.

For a start, you might learn the ticker symbols for the stocks you own. They're listed in handy book-

Take a load off your hands with Kelly Labor.



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SERVICES® Kelly Labor. Available on short notice for any unskilled or semi-skilled job.

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Our geologist is just one of the many specialists available to you through our development staff. We also have industrial engineers, foresters, plant layout specialists, lawyers, whatever you need. Together, they can get you any and all of the facts you want on sites in the Industrial Southeast. Let us start digging for you.

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You can bank on a Dixisteel building



This bank did

When a banker buys a building, it has to be good. This new bank near New Orleans chose a Dixisteel building over other types because of its economy and flexibility, according to Francis J. Henry, president.

"The bank has a clear span of 80 feet, without a post in it. Should we need to expand, changes could be made at very reasonable cost by merely moving non-load bearing partitions," Mr. Henry says.

This beautiful, functional bank was completed in about 90 days from the time the first piling was driven!

You may not be in the market for a bank building, but if you need any other type of structure take a tip from a banker and look at Dixisteel—America's fastest growing line of pre-engineered steel buildings.

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SOME DEALER FRANCHISES STILL OPEN

EXECUTIVE TRENDS

continued

lets—one for NYSE, another for American Stock Exchange.

The ASE booklet also has a short, useful section on how to read the tape. You can check them at your brokers.

Strapped for new employees?

Most employers are.

But the urban poor make up a big, potential labor pool. More and more firms are dipping into it.

Caterpillar Tractor, Philco-Ford and Xerox are among them. They and other firms have training programs designed to turn unskilled jobless into valuable employees.

The Chamber of Commerce of the United States has put facts and figures about some of the better known programs into a 130-page pamphlet: "Training the Urban Unemployed for Entry-Level Jobs."

Along with it goes a companion booklet. It's called "Guidelines for Programs to Hire and Train Out-of-School Youth and the Hard-Core Unemployed."

Both are part of a useful \$6 package of information that may help you solve some manpower—as well as social—problems.

Lessons of leadership

Remember those prophecies of post World War II gloom and doom?

One Washington bigwig urged a mammoth WPA.

"We'll need it," he reasoned, "to sponge up the mass unemployment."

Fred Lazarus Jr. was sure this popular pessimism was bunk. He saw prosperity, not poverty; boom, not bust. So he launched his Federated Department Stores on a multi-million-dollar expansion plan.

That's one reason why Federated is now the nation's largest department store group.

How Fred Lazarus foresaw what would really happen after VJ Day is just one of many fascinating business insights in "Lessons of Leadership," now in book form (Doubleday, New York, N.Y. \$4.95), first published in NATION'S BUSINESS.

It contains interviews with 21 of America's shrewdest business leaders. Among them, Conrad N. Hilton, Howard Johnson, Sam Goldwyn, C. R. Smith (now Secretary of Commerce), Roger Blough, George Champion, Crawford H. Greenewalt.

NATION'S BUSINESS • JUNE 1968

Even deep down inside, Chevrolet is the best built pickup you can buy.



1/2-ton CST Fleetside Pickup

Only Chevrolet gives you all this deep down value

... exclusive front and rear coil springs, double walls of sheet metal in vital areas, rust-resistant design, biggest choice of engines of any popular pickup. And a lot more.

Chevrolet's extra value is not always out where you can see it. But it adds up to *inner strength* ... makes a Chevy pickup the strong, silent type that does more work for your dollar.

When you've worked a Chevy on many a tough job, in good weather and bad, over back roads and superhighways ... you'll begin to see what we mean. ...

Chevrolet Division of General Motors, Detroit, Michigan.



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America's first choice truck every year since 1937.



Tough, truck-built coil springs at all four wheels give a road-balanced ride with solid comfort.



Chevrolet Independent Front Suspension stops bumps where they start, adds to long truck life.



Extra-strong double-wall construction in Fleetside cargo body stands up to the toughest jobs.



Sheet metal is engineered with a reduced number of external joints, less chance of rust.



Double-strong cab has double walls of sheet metal in many areas to stay tight, quiet and strong.



Special fender liners up front are self-washing. Rust-causing elements just can't find a foothold.



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When a golfer doesn't count a missed shot, he only fools himself. A copymaker that takes one or two extra tries before producing the copy you want can cheat your business out of thousands of dollars every year. The Apeco Super-Stat makes every copy count. And, it copies anything including pages from bound books or three dimensional items. It does it easier, faster and at lower cost. See a demonstration in your office of the Apeco Super-Stat, the copymaker that never needs a mulligan.

Arnold Palmer's golf instruction booklets, "Tee Shots and Fairway Woods," "Hitting the Irons," "Chipping and Pitching" and "Putting" free when you see a demonstration of the Apeco Super-Stat. To arrange a demonstration in your office, phone the Apeco office or representative in your city. Sales and service facilities throughout the world.

**A slang golf term for a "second chance" shot to replace a poor first shot.*

APÉCO AMERICAN PHOTOCOPY EQUIPMENT COMPANY, 2100 WEST DEMPSTER STREET, EVANSTON, ILLINOIS 60201



Of blunders, embarrassments, frustrations and humor

BY PETER LISAGOR

The late Adlai Stevenson once summed up the rigors of a Presidential campaign by calling it a physical endurance contest. Among the lesser demands, he remarked with his gift of understatement, is that "a Presidential candidate has to shave twice a day—and I don't like that."

Campaigns test not only the stamina and neatness of a candidate. The mindless pursuit of votes also tests his poise, his humor, his judgment, and his memory. It is a catechism of sorts in which what a man says in Pocatello can haunt him in Pittsburgh, what he says to appeal to an audience in California can bring him rejection in Kansas. Television has blurred regional boundaries, and jet-age travel, which permits a candidate to visit five or six states a day, puts an uncommon burden on him to remember just where he is.

Because of President Johnson's renunciation of politics, the 1968 campaign is already an intense contest for the Democratic nomination. On the Republican side, former Vice President Nixon has campaigned with the assurance of a man who believes he cannot be stopped. But the real, go-for-broke, frenetic, mind-busting, back-breaking test will start after the two conventions name their candidates in August.

Washington expects this year's campaign to be as fierce as any in recent memory. The mood of the nation is a volatile one. Old coalitions have fallen apart, and new ones, not yet fully definable, have begun to form. Each party's candidate will offer his prescription for what ails the public.

The voters can expect this kind of statement, made by a candidate as he approached his party's convention:

"I believe that the people want an ordinary man as President, being a little tired of supermen," he said. "I believe that they want a little peace and quiet and rest from agitation and sensationalism and loud talk and back talk . . . and they sort of believe I want these reliefs myself."

Mr. Lisagor is the White House correspondent for The Chicago Daily News.



LBJ on The Cornpone Special lent a touch of humor to that man-killing event we stage every four years.

"Make no mistake, the people of this country are as sound of heart as a good red apple, and always after a little emotionalism, they come back to the same, sane ways of business and government. You won't think I'm indulging in big talk, will you, if I say that is where I believe I fit in."

That particular candidate happened to be a handsome Ohio Senator named Warren G. Harding, who won the Republican nomination in 1920. No 1968 candidate will preach from a text by the ill-fated Harding, but their words are likely to echo the same nostalgia for a simpler, sweeter time, when the nation was less in ferment, less divided, less uncertain about its course.

• • •

If past campaigns are any guide, 1968 will produce its share of blunders, embarrassments, frustrations and humor. The candidates' entourage will criss-cross the country in jet aircraft, live on stale sandwiches and coffee, try to stay unruffled and rational with scarcely time to unpack their bags and get a decent night's sleep.

An army of reporters will measure the crowds for size and response to the candidate's words, never

TRENDS: WASHINGTON MOOD

sure what it all adds up to or how significant it all may be. Crowd-measuring alone is a fascinating game, with the candidate's staff always seeking to maximize the numbers and the police officers often varying by several thousand in their estimates. A police chief in a small Western city once earned the admiration of newsmen during a Nixon campaign stop in 1960 when he was asked for a crowd figure in the town square.

He surveyed the crowd intently, moving his head in a wide semi-circle sweep, and everybody thought this would be a careful, responsible estimate. When he finished, a reporter prodded, "How many, chief?" The chief shrugged and won a prize for candor with his reply, "Golly, I wouldn't know."

The whistle-stop by train has virtually gone into limbo; it takes too much time and encompasses too few people. This is a pity, for the campaign specials of the past were rich in anecdote, and few quite so rich as the train that carried Lyndon B. Johnson through the South in 1960. As the Democratic Vice Presidential candidate with John F. Kennedy, Johnson was counted upon to make the most of his own Southern origins.

The LBJ Special, which as it moved into the deep South and as Johnson's Southern accent deepened was dubbed "The Cornpone Special," got off to a hilarious start. At one of its first stops, Culpeper, Va., LBJ lingered on the back platform of the train as it pulled away from the station, shouting through the loudspeaker, "What did Dick Nixon ever do for Culpeper?" The people had scattered, but Johnson kept shouting, "What did Dick Nixon ever do for Culpeper?" Even as reporters were settled down in the press car and only a few straggling persons could be seen along the railroad right-of-way, the cry persisted. It has since become embedded in the legend of whistle-stops. In fact, after the Kennedy-Johnson Administration had been in power for a year or so, one reporter went back to find out what they had done for Culpeper, and evoked a memorable line from a waitress in town who said, "Honey, there ain't nothing anybody can do for Culpeper."

One of Johnson's favorite themes on that trip was to answer the Nixon charge against Kennedy of inexperience. He would hark back to a meeting Nixon had with New York's Gov. Nelson A. Rockefeller in the Waldorf-Astoria Hotel before the Republican convention, in which Rockefeller's demands that the G.O.P. platform be made more liberal were accepted by Nixon.

Johnson polished and honed his pitch about that Nixon-Rockefeller conference in the Waldorf until everyone on the train could repeat it. "Now," LBJ would intone, "if an experienced Vice President can visit an inexperienced governor on the 27th floor of the Waldorf Hotel (the floor changed at each stop, getting ever higher) and be turned around 180 degrees at midnight, what would Khrushchev do to him if he had him in the kitchen all day?"

The reference to Nixon's famous "kitchen debate" with the Soviet Premier in 1959 was lost on most of the audience, but Johnson's gyrations and gestures as he made his point were so exaggeratedly funny that it didn't matter; the audiences invariably exploded with derisive laughter aimed at Nixon.

Few oldtimers have forgotten the Dewey train in 1948, when the engineer unaccountably backed into a crowd at the station and led the Republican candidate to blast that "blankety-blank engineer," which was said to have lost him support among railroad workers. Not many aboard the Goldwater 727-jet in 1964 will ever forget the time that an impish pilot decided to buzz an airport for laughs and nearly scared everyone aboard, except the candidate, half to death.

There seems to be a trap for the candidate everywhere along the way—reporters eager to ambush him with innocent-sounding questions, hecklers anxious to get into the act, TV cameras catching him in an unappealing posture. Weary from his dawn-to-midnight routine, harassed by the need forever to be "on stage" and not to make a verbal gaffe and not to lose his patience or his poise, it is remarkable that the candidates make so few mistakes.

• • •


The campaigns provide a kaleidoscopic glimpse of America. They are, in many ways, a festival, a ritual renewing the processes of a democracy. They can be dignified, stilted, humorless or easygoing, informal, amusing. They can be heartening or hopeless. But they are always intensely human, and at times they can supply insights and judgments which the public misses.

An example of the latter occurred in 1956, on the Stevenson train, when the late, kindly and wise James Finnegan, Stevenson's campaign manager, told this reporter a story of his younger days in the wards of Philadelphia.

Finnegan and some of his political pals were standing on a corner in the ward when an able, highly respected citizen was spotted walking down the other side of the street. "Look at old Joe there," one said, "he'd make a fine mayor." "Mayor?" exclaimed a second, "he'd make a good governor." "Governor?" said a third, "why, he'd make a wonderful Senator." "Senator?" chimed in the fourth, "Why old Joe would make a great President—if you could appoint him."

Finnegan loved his "tiger," Stevenson, but he had concluded that the former Illinois governor was no match for Dwight D. Eisenhower, even though he would have been a great President. The campaign this year will produce similar candid judgments inside each candidate's camp, but the public will have to make its own decision after one of the most exciting and exacting ordeals in American life.

This campaign year may prove to be more unruly and hazardous for the candidates than most. It is a rebellious time, and feelings run high. In 1940 the G.O.P. Nominee Wendell Wilkie was splattered with an egg; this Fall, the candidate conceivably could find himself dodging bricks. But in the end, hopefully, the Republic will find itself renewed, if not refreshed, and the candidates will survive.



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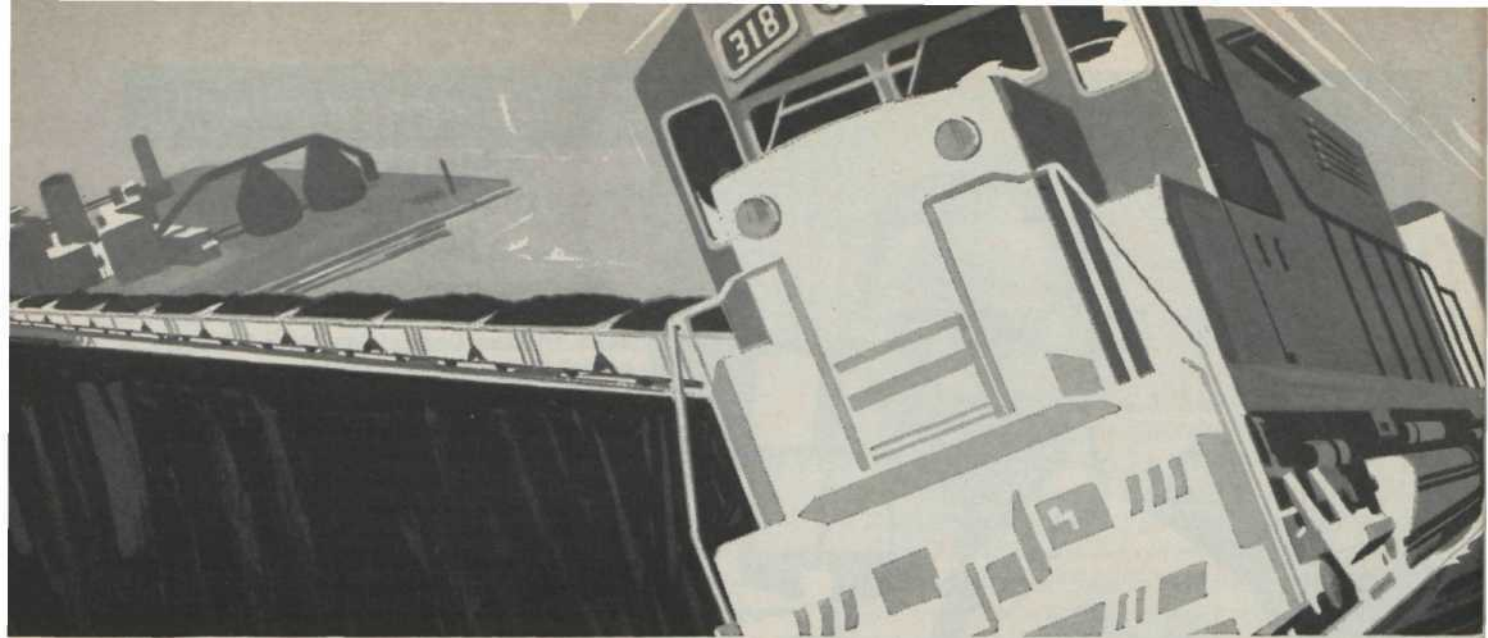
To Sam, that was reason enough to get our little machine. As he explained, his degree from Georgia Tech was in Industrial Engineering ("you know, a time-study man") and the 701 impressed him as being a great time-saver for his office. "Sometimes we have as many as 50 invoices going to the same place. With the machine, all we have to do is hit that thing once, stick the invoice in the envelope and hit it again. It saves typing out the address over and over and over again. In fact, we can do a whole stack of invoices in about 10 minutes now."

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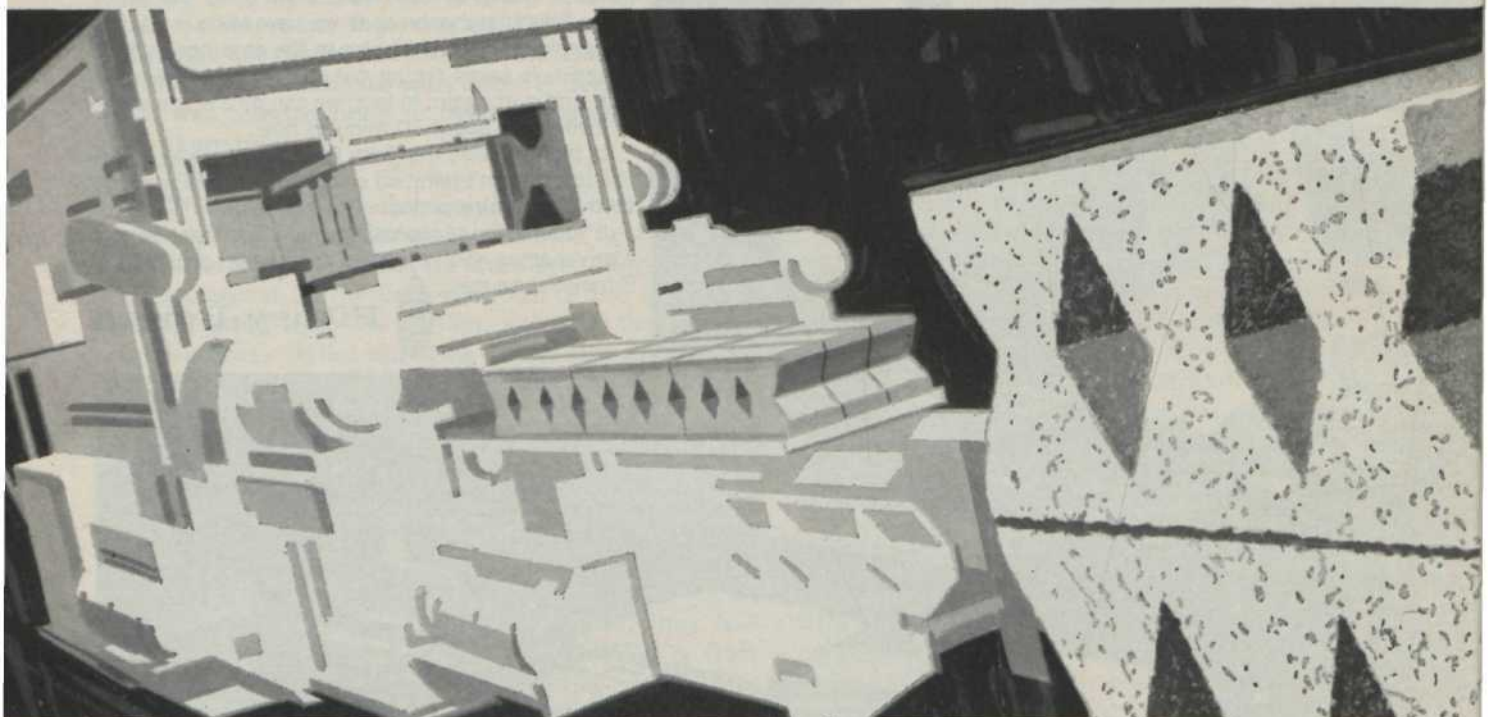
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Some helpful hints for Commencement speakers

BY FELIX MORLEY

June is traditionally the month of brides and roses. It is also, for the first two weeks at least, the month of Commencement Exercises. This June, apparently, will be about normal for weddings and floral displays. It will not be normal for those called in to address the fledgling graduates.

Yet the demand for Commencement speakers has increased enormously, along with the proliferation of higher education. In 1870 less than two per cent of all Americans between the ages of 18 and 21 were attending institutions of higher learning. Today the total population is five times as great while those in some sort of college are close to 40 per cent of the 18-21 age group, a twenty-fold increase.

Of course the graduates are now lined up in regiments, in place of the handfuls who were subjected to authoritative advice in years gone by. But this has not eased the task of speakers. They had better realize, before taking the rostrum, that the challenge of this Commencement is for them rather than for their audiences.

Moreover, two groups of old reliables as orators are out this year. Because of the coming election it is neither fair nor fitting to present politicians. And wise educators are now too uncertain about their calling to wish to expose their doubts in public. Every college president, assuming the students allow him on campus this Commencement, would rather introduce the speaker than fill the bill himself.

• • •

In the customary Commencement address platitudes have long been thick as plums in a Christmas pudding. But the class of 1968, whether graduating from college or high school, is in no mood for banalities. On the one hand it must face the prospect of Viet Nam, nearly as disturbing for the girls as to the actual conscripts. On the other hand there is much cynicism about the time-worn assurances of construc-

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.



PHOTO: F. S. DAUWALTER—BLACK STAR

For many in the class of '68, a college degree and diploma will mean hard choices that weren't foreseen.

tive employment for all trustworthy youth. All who have special skills or talents, and are not drafted, will undoubtedly move quickly into well-paid openings. But for the mass of average students, and especially for those from city slums, there is no such promise. For all too many the choice ahead is between uninspiring casual labor and the even more deadly prospect of government made-work, now advocated as a counsel of despair. Here is an outcome that was not envisaged when we enthusiastically declared that every American, ipso facto, deserves a college education.

Of course nearly everyone can be entered in colleges of a sort, if we accept the probability that for many the experience will prove bitter. Every worker could be guaranteed an annual income of \$10,000, if we recognize that these will necessarily be sharply depreciated dollars. The point to remember is that education is from its very nature a sternly competitive process in which the mass will always lag behind. The opportunity should be open to all, without any kind of prejudice. But that does not mean that all can profit from it.

It is the present huge enrollment in our proliferat-

TRENDS: STATE OF THE NATION

ing colleges that accounts for the coincident, very obvious student unrest. Disillusion has been the result of extending to so many privileges from which by no means all will really benefit. And unhappiness is aggravated by the necessary introduction of mass production methods deadening to the intellectual enthusiasm which should be the natural atmosphere of campus life.

For all its often offensive characteristics the prevalent student reaction is not without logic. It is to assert their properly prized individuality that boys try to look like girls while the latter often abandon femininity to rival those creatures that crawl out from under rocks. Narcotics and liquor are used for "trips" that can only temporarily relieve an all too apparent frustration. It is pathetic, but understandable.

The manifestations of campus youth, however, do not stop with grotesque self-assertion. They are also directed, in anarchic fashion, against what is vaguely called "The Establishment." At one time and place the target of demonstration may be an unpopular academic ruling. Just as easily riotous protest is turned against governmental policies. In all cases, in this country as elsewhere, the student resistance is at bottom opposed to disciplinary action. The irony is that democratization of education has itself emphasized the need for discipline which its beneficiaries protest.

There should be more consideration of the epidemic character of student revolt, for it is nonsense to applaud the phenomenon in another society while deploring it in our own. Hostility to communism, at least in its Stalinist form, is apparent in the universities of Czechoslovakia and Poland. Here, in Paris, in West Germany, in Scandinavia, an undergraduate sympathy with communism is suspected. The basic similarity of the symptoms calls for a less emotional diagnosis. What is everywhere opposed, quite obviously, is policing. The character of the authority exercising the police power is secondary.

This conclusion is both inevitable and disconcerting. Whether we like it or not the police power must be augmented when social order is threatened by mob action of any kind. Population growth alone requires emphasis on discipline, just as the rapid growth of college enrollment necessitates the emphasis on regulation to which students object. At the heart of the problem is the reformist refusal to see that every advance of civilization has its shadow side. The weakness of democracy, in education or any other field, is that it can always make a better case for an ideal than the achievement of that ideal will justify.

In education the problem is the more complicated because students with scientific background and aptitude seem to have an assured future. It takes only a glance at the Help Wanted columns to see why they are satisfied. Whether here or in Russia the demand for competent engineers currently exceeds what the colleges can supply.

But this situation underlines what many educators now refer to as "the plight of the humanities." For those who have majored in history, philosophy, religion, languages, literature or the arts, positions available are neither so numerous nor so lucrative. In the opinion of the American Historical Association: "Those studies which refine the values and feed the very soul of a culture are increasingly starved of support."

While this is a bit rhetorical there is no question as to the general technological swing. In the words of one caustic educator: "The bright student, as well as a white rat, knows a reward when he sees one." Therefore, especially among the independent liberal arts colleges, a valiant effort is made to keep science and the humanities in balance. One of the most respected of these schools currently announces that its educational program: "aims more at preparing men to think and act clearly, boldly and humanely in whatever life work they choose than at training for specific professional fields."

That reads well. But a professor of Business Economics at Indiana University has put his finger on the defect in such generalized phraseology. In the Spring issue of the A.A.U.P. (American Association of University Professors) *Bulletin*, Professor W. David Maxwell points out that no instruction can insure the results desired from study of the humanities. In scientific subjects the problem can be identified; reliable research techniques can be explained; uniform experiments produce uniform results. But the student of literature cannot interpret a poem in a manner "which is necessarily duplicative by other researchers." Possibly that is why frustrated humanitarians let their hair down.

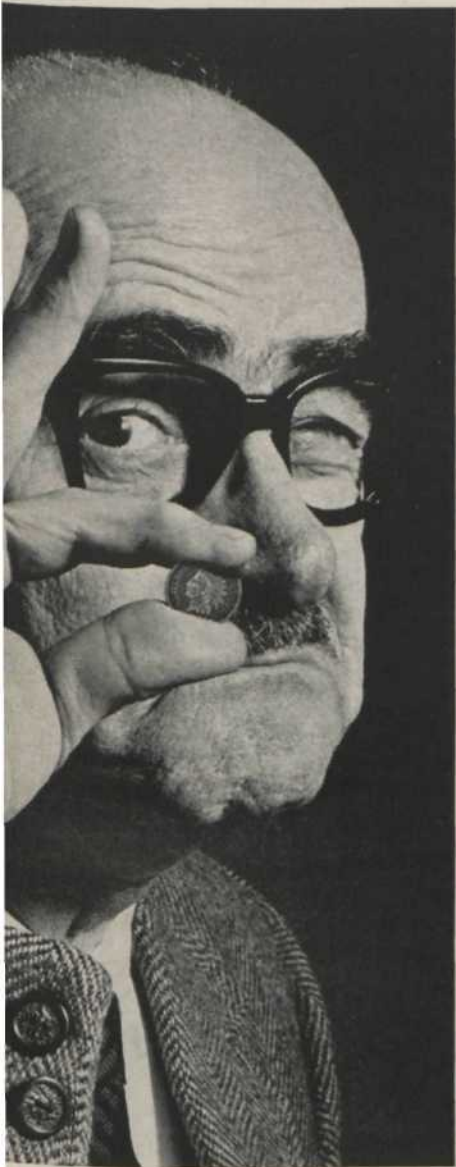
Nevertheless it is certain that the youth who has analyzed Shakespeare will speak the language better than one whose reading is confined to the daily paper. And the scientist who has studied philosophy will be able to communicate his knowledge more clearly and concisely than one who can think only in equations.

So Commencement oratory, this June, might helpfully emphasize to youth that a sense of balance is necessitated by the growing pains from which our rapidly developed higher education suffers. Balance is important in the curriculum. And self-discipline even more so in the extra-curricular activities of those who demand that external disciplines be reduced.

A suggestion currently gaining adherents is that authorized student organizations be permitted to elect one or more representatives to the college board of trustees, as non-voting members. This, it is argued, would show the youngsters that there is much more than lessons and lab work to the operation of an educational institution. Similarly it would enable student spokesmen to express grievances at an early stage, at the level where policies are decided. Since most boards of trustees already have strong alumni representation it would seem reasonable to carry that practice down to the undergraduate level. In many cases nowadays the faculty is also represented on these governing bodies, and if the teachers why not the taught?

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Panaceas and empty promises

BY ALDEN H. SYPHER

The report of President Johnson's National Advisory Commission on Civil Disorders, a document which has not particularly enraptured LBJ, is most unusual in more ways than one.

This commission is the group that plunged so enthusiastically into its investigation of a 100-year-old problem that it completed the assignment scheduled to take 11 months in only seven.

By the ninth month from its inception, several of the commission's politician-members were threatening to pressure President Johnson for more action on their hurriedly arrived at recommendations.

It is the group that found a potential of many billions of federal dollars available for social adjustment while those in responsible positions were moving to save the dollar in America's most serious financial crisis in nearly 40 years.

It is the group that concluded that:

"White racism is essentially responsible for the explosive mixture that has been accumulating in our cities since the end of World War II."

But within a few weeks, John V. Lindsay, the perennial political debutante who currently is mayor of New York City and vice chairman of the President's commission, must have changed his mind.

For he called a news conference in his City Hall quarters and read a 2,000-word statement in which he linked racial violence in the nation's cities with the "inertia" of Congress, and a "lack of leadership" on the part of LBJ.

The Republican mayor, who sometimes is mentioned as a Presidential possibility, said that Otto Kerner, Democratic governor of Illinois and chairman of the commission, had agreed in a telephone conversation to call a special meeting to put a little heat on the President.

But Gov. Kerner told reporters that wasn't the way he understood it, and that he probably wouldn't call any meetings before some scheduled for June, when a couple of supplemental reports are due.

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

Here are the "objectives for National Action" set up by the commission:

"Opening up opportunities to those who are restricted by racial segregation and discrimination, and eliminating all barriers to their choice of jobs, education and housing.

"Removing the frustration of powerlessness among

PHOTO: WIDE WORLD



Gov. Kerner (left), head of riot study group, and its vice chairman, Mayor Lindsay, didn't quite agree.

disadvantaged by providing the means for them to deal with the problems that affect their own lives, and by increasing the capacity of our public and private institutions to respond to these problems.

"Increasing communication across racial lines to destroy stereotypes, to halt polarization, and end distrust and hostility, and to create common ground for efforts toward common goals of public order and social justice."

If the commission is anywhere near right in its basic conclusion as to the cause of racial unrest, there's little in these national objectives to eliminate it except "increasing communications" which is what all committees recommend when they can't find solutions to problems.

On the other hand, concessions recommended for the benefit of the victims of the white racism the com-

TRENDS: RIGHT OR WRONG

missioners find so rampant are nearly endless. Just about every suggestion ever made in this field, with the exception of some put forth by H. Rap Brown, is listed in the commission's recommendations.

Some hope that progress has been made in escaping poverty is raised when the report quotes data assembled by the Departments of Labor and Commerce.

This shows that the Negro upper-income group is expanding rapidly and achieving sizable income gains—that the proportion of Negroes employed in high-skill, high-status, and well paying jobs rose faster than comparable proportions among whites from 1960 to 1966.

And, as Negro incomes have risen, the size of the lowest income group has grown smaller, and the middle and upper groups have grown larger—both relatively and absolutely.

In 1966, the report says, 28 per cent of all Negro families received income of \$7,000 or more, compared with 55 per cent of white families.

This was double the proportion of Negroes receiving comparable incomes in 1960, and four times greater than in 1947.

But hopes are dashed when the commission finds such progress leaves vast reservoirs of unemployed and underemployed in central city ghettos—and the success of some Negroes in lifting themselves out of poverty, instead of inspiring others, often causes resentment and cleavage.

It is the un- and underemployed that get the commission's attention and recommendations ranging from creating a million new public jobs and a million new private jobs over the next three years, to generous federal loans, terms and help to convert the poverty-stricken into businessmen, operating in the slums.

The anxious advisers to the President didn't add up the many billions it would take to carry out their many programs. They sailed on through education, housing and the welfare system, adding costly new programs in passing.

The bill always goes to the same place.

On education:

"The principal burden for funding the programs we have proposed will fall on the federal government."

On welfare:

"Because the states are unable to bear substantially increased welfare costs, the federal government should absorb a far greater share of the financial burden than presently."

On housing:

"Direct federal expenditures for housing and community development have increased from \$600 million in fiscal 1964 to nearly \$3 billion in fiscal 1969. To produce significant results, however, these programs [among several others also recommended] must be employed on a much larger scale than they have been so far."

Where is the money coming from?

"The nation has substantial financial resources," the commission report states, "not enough to do everything some might wish, but enough to make an important start on reducing our critical 'social deficit' in spite of a war and in spite of current requirements."

"The key factors having a bearing on our ability to pay for the cost are the great productivity of the American economy, and a federal revenue system which is highly responsive to economic growth."

"In combination, these produce truly astonishing automatic increases in federal budget receipts, provided only that the national economy is kept functioning at capacity, so that actual national income expands in line with potential."

"These automatic annual increases—the 'fiscal dividend'—from the federal revenue system range from \$11 to \$14 billion under conditions of steady economic growth."

"While competing demands are certain to grow with every increase in federal revenues, so that hard choices are inevitable, these figures demonstrate the dimension of resources—apart from changes in tax rates—which this country can generate."

Dividends?

While this dream was flowing from the commission's staff to the printer, the heads of central banks of friendly European nations met in emergency session in Washington, and later in Stockholm, to help save the American dollar from devaluation.

We were, and still are, in a financial crisis outlined by President Johnson in January.

The commission's chatter of dividends came as William McChesney Martin Jr., chairman of the Federal Reserve Board, said in Washington that the United States is "in the midst of the worst financial crisis we've had since 1931."

Just as the disadvantaged were told by the commission that there were adequate resources to free them from poverty, the Federal Reserve Board raised the rate charged on loans to member commercial banks to the highest point since the 1929 crash—in an effort to avert a similar boom and bust.

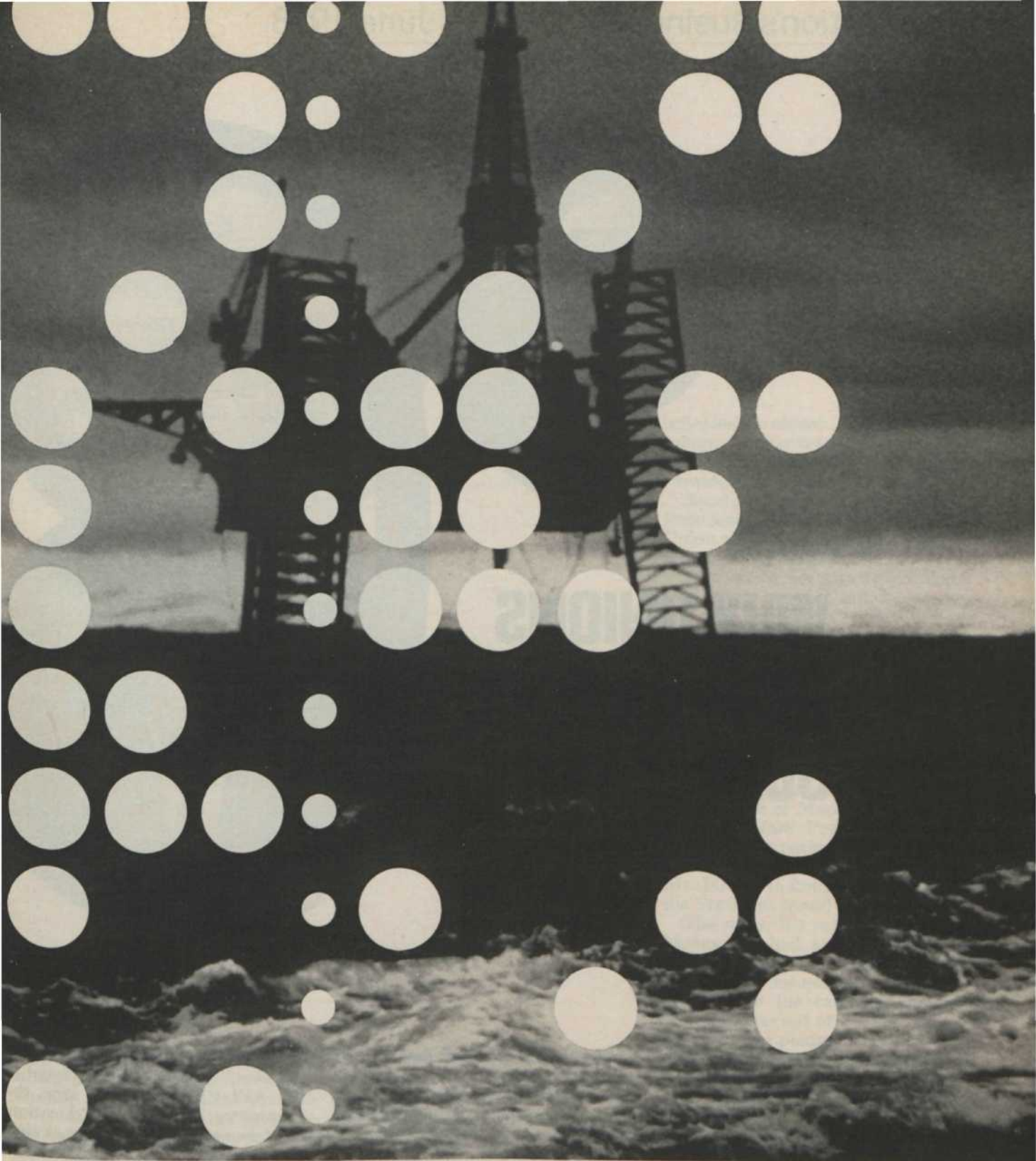
And bankers overseas looked at this and other news to see if we were carrying out our pledge, made in return for their support of the ailing dollar, to adopt more responsible fiscal policies, such as cutting federal spending and adding new taxes to reduce our federal deficit.

The commission hardly could have been more misleading in assuring the poor that the money was there, that all we need is the will.

As they said in their report:

"The expectations aroused by the great judicial and legislative victories of the civil rights movement have led to frustration, hostility and cynicism in the face of the persistent gap between promise and fulfillment."

Americans, black and white, deserve more from such a commission than the careless construction of another persistent gap of the kind that can lead to more violence.



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AFL-CIO Chief, George Meany, and COPE strategist, Al Barkan, (below), need computers to keep track of labor vote which tends to migrate to the suburbs and take on political hue of its neighbors.

WHY UNIONS ARE RUNNING SCARED IN



"The number one problem labor faces today is the elections of 1968," declares George Meany, the politically oriented president of the AFL-CIO.

Result: American labor unions are attacking their "number one problem" with a fervor and a bankroll to warm the hearts of any politician willing to wear the union label. Their blueprint for electing their friends is already being drawn in grand scale. In short, the unions are running scared.

"We're facing a situation not to our advantage," adds Mr. Meany, whose union federation remains one of the world's biggest and richest.

The unions fear that the elections will sap their strength in Congress. Candidates could win who would try to strip unions of privileges on which they base their present power.

"Our enemies are expecting a major victory in November," bemoans Roy Siemiller, the suave president of the wealthy Machinists Union. "If we lose 40 more friendly Congressmen, as we did in 1966, then our enemies will enact their entire package of restrictions—wage ceilings and all. We will face the most violent onslaught of antiunion action in Congress in generations."

"It will make Taft-Hartley and

Landrum-Griffin (labor laws) look prolabor," adds Al Barkan, head of the AFL-CIO's political arm, the Committee on Political Education.

Of course many businessmen view the potential labor law reform as long overdue, good news.

Union leaders have a strong reason for bombarding rank and file with scare talk of possible labor reform legislation. They sense a backlash in the labor movement. They hope to divert attention from the Viet Nam war, riots, bigger taxes, strikes, inflationary wage increases and high government spending—all of which COPE's Mr. Barkan terms "phony issues."



"In 1964 we didn't get sidetracked with phony issues," reminisced Mr. Barkan at a recent conference of union leaders. "We didn't get sidetracked just because Johnson came from Texas or because Johnson and Humphrey were white honkies. We kept our eye on the ball, and we won."

The specter of what happened in the 1966 Congressional and gubernatorial and 1967 local elections, however, haunts union political leaders like Mr. Barkan. Great numbers of blue-collar union members the past two years voted against union-backed candidates.

Increasing numbers of working

people are rising into middle-income brackets where they are feeling for the first time the sharpness of the progressive income tax bite. They are trying to buy their own homes and send their own children to college.

About a fourth of today's union members are under 40, and three fourths of them dwell in suburbs. Membership polls show great gaps between their thinking and that done in national union headquarters.

While union leaders don't expect any gains in Congress this year, they hope Capitol Hill losses can be salvaged by the election of a union-

beholden President. Should the upcoming Ninety-first Congress then succeed in curbing union power, the President could exercise his veto.

Should a "conservative" win the Presidency, warns the Machinists Union newspaper, you could expect the following from him:

"He would not simply go along with Congressional attacks on labor. He could lead Congress in new directions. He could stack federal agencies with antilabor appointees. He could alter the whole stance of government from a protector of labor's rights to an oppressor."

The AFL-CIO's political machinery had been clanking away full throttle for a year in support of re-electing President Johnson—up until the night of March 31. Only six minutes before President Johnson spoke to the nation that night, his assistant, Marvin Watson, phoned Mr. Meany to impart the news that the President would not serve again.

The news, it's said, stunned Mr. Meany. He had, after all, shattered AFL-CIO precedent by endorsing President Johnson's re-election long before the campaign season. He had gone out of his way countless times to pledge political fealty to his candidate. He had committed the COPE machine to one main goal: Keeping Mr. Johnson in the White House.

Mr. Meany had even plunked down \$44,000 for more than 450 prints of a film made of a folksy chat between him and President Johnson. COPE had already started screening the film, called "Conversation at the White House," at union meetings across the land and had persuaded some 30 television stations to show it as a public service. In addition, the AFL-CIO had distributed hundreds of thousands of scripts of the film.

Three days after the President's

shocker, Mr. Meany publicly urged Vice President Humphrey to enter the race.

The AFL-CIO's official Presidential endorsement will not come until September, after both parties have adjourned their conventions. Many union leaders still nurture hope that Lyndon Johnson and New York Gov. Nelson Rockefeller might yet emerge as the Presidential nominees.

Meanwhile, various polls and primaries show that, despite Mr. Meany, Sen. Robert Kennedy (D-N.Y.) retains a strong following among union rank and file. The Indiana AFL-CIO, for example, this spring even refused to endorse any candidate prior to the state's primaries. This embarrassed national AFL-CIO officers who wanted a solid union showing for supporters of Vice President Humphrey.

As it turned out, Senator Kennedy swept the state, including the heavily unionized, big city industrial areas. Nebraska was a similar story.

Union propagandists feel more at ease attacking candidates they don't like than defending Great Society programs. Months before the first primary, they had zeroed in on two favorite targets: former Vice President Richard Nixon and California Gov. Ronald Reagan.

"Don't let anybody kid you that there's a new Nixon," barks COPE's Mr. Barkan. "Nixon's the same old union-hater that he's always been."

In California, union politicians scrutinize Gov. Reagan's every action and word for any antiunion implications they can exploit, just in case he should be on the '68 G.O.P. ticket.

Meany was fuming

Just before last December's AFL-CIO convention, some 525 trade unionists from 50 international unions gathered in Chicago in what they called the "National Labor Leadership Assembly for Peace." The purpose was to show opposition to Mr. Meany's deep commitment to back the Administration's Viet Nam policy.

The meeting had Mr. Meany fuming for months, but he still feels that the election of Mr. Humphrey requires the support of these union doves, which include Charles Cogen, the scrappy little leader of the American Federation of Teachers, and Harry Bridges, the embattled head of the West Coast Longshoremen.

The Meany strategy is to back politicians who generally favor unions no matter what their stands on specific major national and international issues.

For instance, the AFL-CIO is supporting re-election of such staunch anti-Viet Nam, yet prounion, Senators as Democrats George S. McGovern of South Dakota, Ernest Gruening of Alaska and Joseph Clark of Pennsylvania. The latter, Mr. Meany calls "nearly faultless" in his union favoritism.

This strategy has COPE leader Barkan walking tightropes to explain why union members should rally behind Vice President Humphrey in the Presidential race. For the other two leading Democratic aspirants enjoy commendable ratings by Mr. Barkan's own outfit.

COPE declares that Sen. Eugene McCarthy has voted "right" 69 times and "wrong" only once and that Senator Kennedy has voted "right" 20 times and never voted "wrong."

Sen. McCarthy's union supporters eagerly point out that their candidate has long championed increased unemployment taxes, noneconomic schemes for redistributing wealth, measures to give unemployment benefits to strikers and bills to force workers to join unions whether they want to or not.

Despite Senator Kennedy's floor record, many union leaders grudgingly recall how tough he was on unions—particularly the Teamsters Union—in the 1950's when he counseled the labor rackets hearings of Sen. John L. McClellan (D-Ark.).

When he was Attorney General, Senator Kennedy again clashed with unions. He backed efforts to give legal immunity to employers who testify against union officials in bribery cases.

Senator Kennedy's supporters are hoping veteran bargainer Arthur Goldberg, the former Labor Secretary and UN Ambassador, will be able to persuade more union leaders into their candidate's camp.

The political solidarity of the trade unions has crumbled with the rift between Mr. Meany and Walter Reuther, president of the giant United Auto Workers, now suspended from the AFL-CIO for nonpayment of dues.

Mr. Reuther has long been suspected of quietly masoning a voter base for the Presidential hopes of Sen. Kennedy. Mr. Reuther had criticized Mr. Meany for coming

out so early in favor of President Johnson. Mr. Reuther claimed that the AFL-CIO was tossing away bargaining power.

Should Sen. Kennedy move into the White House, many think Mr. Reuther would wield enough influence to dethrone Mr. Meany as America's Mr. Union.

Mr. Reuther's United Auto Workers already have withheld their regular dues to the AFL-CIO and shut their treasury to the national COPE office. This denies about \$1 million yearly to the federation's general fund and \$180,000 to COPE.

UAW officials had balked at COPE in other ways, too. They wouldn't, for example, give COPE the membership lists which COPE wanted to feed into its campaign computers. COPE officials, nevertheless, claim they are operating well without UAW help.

"COPE was never in better shape," boasts Mr. Meany. "It is better organized right to the precinct level." Mr. Barkan notes that more money and more manpower are being used by COPE this year than ever before.

Unburdened by taxes, unions funnel enormous sums of money directly from their general treasuries into union "educational" efforts in politics. Legally, money for individual candidates is supposed to come only from contributions made voluntarily to COPE. Many union members have complained of pressures used by COPE collectors to get such contributions.

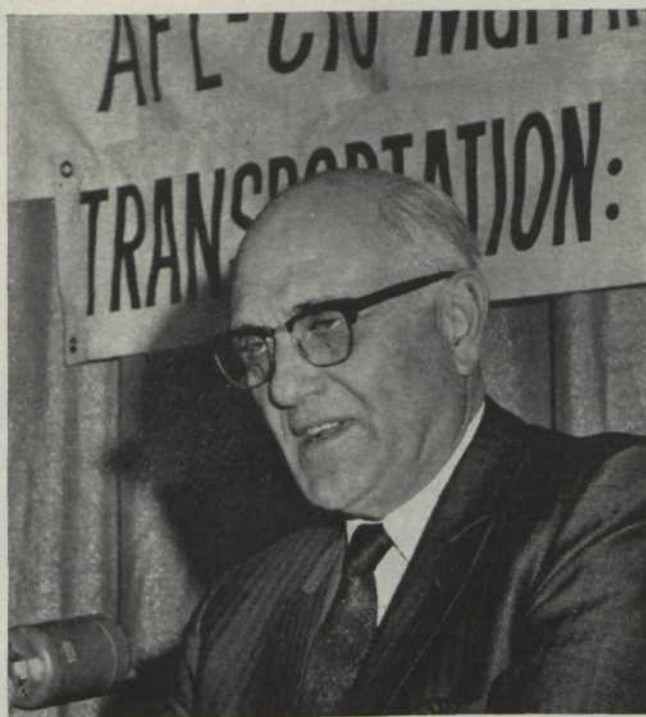
Where the money goes

Union political money caroms in so many different ways it's impossible to trace how much unions actually spend on elections. Some estimate, however, that this year's total will top \$50 million.

Union local and state groups have their own political funds and separate COPE-like groups. And they devise all types of special purpose funds.

The AFL-CIO taxes each member one and one third cents each month for its "Special Purpose Fund." Last fiscal year the fund's total was \$2,229,338. This money is spent under such categories as "voter registration" and "influencing state legislation."

Some AFL-CIO state bodies are calling "special conventions" for increasing the per capita assessment for political action while bypassing the will of the general membership.



Machinists Union head P. L. Siemiller runs one of the busiest union political machines, the "Non-Partisan Political League."

Some union members cough up \$2 a day for the political fund of the wealthy St. Louis Pipefitters Local 562 of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, AFL-CIO.

The local, which invokes a rigid hiring hall policy, is run by ex-convict Lawrence L. Callanan, who enjoys great sway in St. Louis partly because of all the political contributions he can toss around.

The local and three officers, one of them Callanan, were recently indicted by a grand jury. The charge: Conspiring to violate federal election laws by making \$150,000 worth of illegal campaign contributions.

Concerned legislators have proposed several methods for limiting union spending in political campaigns. Among them is the so-called Ashmore-Goodell Clean Elections Bill now in the House. It is designed to update the laws governing the reporting of campaign receipts and expenditures in federal election campaigns.

Any such law passed this year, however, would be too late to stanch heavy union spending in the 1968 elections.

The AFL-CIO plans to concen-

trate its money and manpower on some 60 Congressional districts, including all of those in which union supporters lost by less than five per cent of the vote in 1966.

It also plans to give special help to try to re-elect the following Democratic Senators: South Dakota's McGovern, Alaska's Gruening, Pennsylvania's Clark, Connecticut's Abraham A. Ribicoff, Indiana's Birch Bayh, Maryland's Daniel B. Brewster, Wisconsin's Gaylord Nelson and Oklahoma's A. S. Mike Monroney.

Special COPE state-wide campaigns are planned for California, Connecticut, Illinois, Indiana, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, Texas and Wisconsin. Extra emphasis will be pressed on Gary, Ind., Boston, Cleveland and Philadelphia.

The AFL-CIO this spring implemented this program with 13 jam-packed regional conferences all over the country. Union-friendly Congressmen left their jobs in Washington to participate. Mr. Meany himself conducted four regional planning conferences for union staffers.

COPE will put on a series of weekend political seminars this summer for local union leaders in 11 "doubtful" states having fat electoral votes.

COPE, in cooperation with the AFL-CIO's education department, also is cranking out mass mailings of political propaganda. Each union is being encouraged to muster its own political task force to work with COPE and to concentrate on political organizing in the suburbs.

Chauffeurs and computers

Unions lend their people, office space, mimeograph machines and sound trucks to their favorite candidates. They also divert office staffers and helpers to political work and, on election day, drive voters to polls to give them last minute advice.

Thousands of union women auxiliaries—wives, mothers and daughters of union members—are pitching in. The AFL-CIO National Auxiliaries have called upon the ladies to devote one day a week to union political activities until the November elections. A teen COPE Corps also is active.

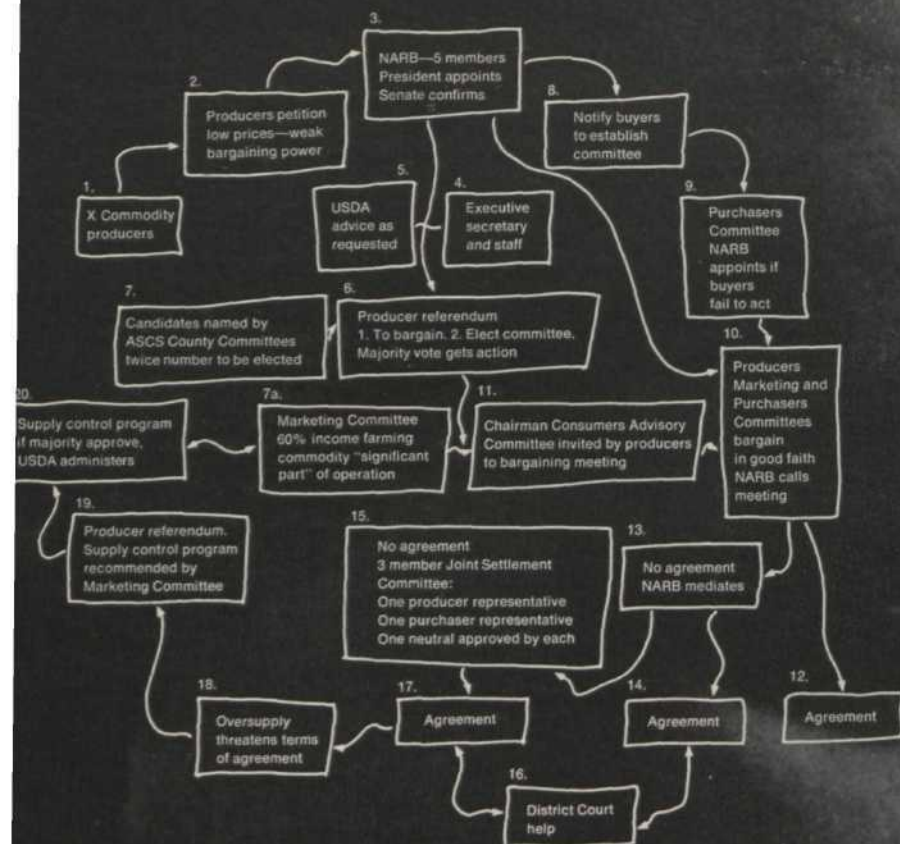
Unions are engaging computers in political work more than ever. Computers prepare "political profiles" of some 3.5 million AFL-CIO members. The profiles contain, among other things, the member's ZIP code, election district, city ward and his registration status. The computers select union members who can be used in campaigning and other work in vital precincts.

COPE has set up data processing systems in Ohio, California, Pennsylvania, Colorado, Oklahoma, Texas, Maryland and the District of Columbia. It is setting up others in Connecticut and New Mexico.

Union politicians worry that all their preparations could go for naught should there be a big strike this summer which could turn voters against union candidates.

Major steel contracts end July 31. Some union strategists are hoping that any steel strike can be delayed at least until Aug. 18. After then, President Johnson could get an 80-day Taft-Hartley injunction which would force the workers back to work until after the election.

Such calculating typifies the whole union approach to the upcoming elections. Union leaders long ago concluded that the benefits to be reaped from union-beholden politicians abound. **END**



**WILL
NEW MONOPOLY
FORCE
UP PRICES ?**

American farmers are organizing to wield greater muscle in the marketplace. Their goal is higher prices for food and fiber, meaning higher costs to industry users and the consumer.

Farmers have tried to boost their bargaining power, of course, for many years and in many ways. But they are unquestionably still caught in a cost-price squeeze and feel short-changed on their share of the nation's wealth.

What's new and significant now is a strong drive for "grower power" by farm organizations with strong support in the Administration and Congress.

Legislation now pending would apply collective bargaining comparable to labor negotiations to agricultural marketing and promote price-fixing to bring farm income in line with over-all costs of farming.

This drive has far-reaching implications for government regulation, economic competition, the already changing structure of production and distribution, consumption patterns and foreign trade with its bearing on balance of payments.

And it's political dynamite. Says Sen. George D. Aiken of Vermont, senior Republican on the Senate Agriculture Committee: "If farm prices are raised to returns commensurate with other industries, consumer costs would go so high they'd probably have a major rebellion on their hands."

And President Johnson himself, in a striking parallel of his approach to strikes damaging to the national economy, first promised bargaining legislation, then backed off and passed the buck to Congress.

In a year of high mortality for forecasts—applying to agriculture as well as politics—it's impossible to predict the fate of bargaining legislation. (One bill was passed recently after its chief sponsor had written its obituary.)

But there are clear signs that over the next few years the relative strength of farm producers and their customers is likely to change, though the ultimate mix of new laws and joint action by farmers under existing law remains unclear.

"You begin to get the dots on

the chart," observes Robert B. Heiney, director of government-industry relations for the National Canners Association, whose members have a direct dollar interest in the trend. "As time goes on," he continues, "there is going to be more federal intervention in the grower-producer-consumer relationship."

The farmer's case

No one disputes that many farmers are hurting. Willard F. Williams, chairman of the agriculture economics department, Texas Technological College, sums up the situation:

Farm prices dropped from 1950 to 1967 while prices paid by farmers rose by more than one third. And in 1966, earnings of resources devoted to farming were 15 per cent lower than comparable investment in other industries.

Therefore, as he told Congress, "The interest of farmers and ranchers in bargaining power is genuine, widespread and rising."

One symptom has been the militant National Farmers Organization campaign to force up prices by withholding cattle and grain from the market, dumping milk and most recently by slaughtering hogs and calves.

The American Farm Bureau Federation has been developing voluntary marketing associations over the past six years to organize producers of more than 30 commodities. The goal is higher farm income—higher prices on the basis of improved market knowledge, lower costs to farmers (and customers) through more orderly marketing, and price bargaining where possible.

Such bargaining sets a general framework of price and non-price terms such as size, quality and delivery schedules. Agreements do not commit customers to buy specific amounts from specific producers, but rather to meet the agreed terms in any dealings with member suppliers, whom they remain free to choose.

American Farm Bureau President Charles B. Shuman says the approach "will be extended to all commodities within a relatively few years."

Against this background of farm discontent, reflected partially in this surge of organizational activity, Agriculture Secretary Freeman has been touring the country. "We've gone about as far as we can go under existing programs," he told an audience late last year, seeming to concede the failure of multibillion-dollar farm programs. And he's been getting his lumps from farmers.

One gratifying—to him—exception has been the enthusiastic response of farmers to his drum-beating in favor of greater bargaining power, a tack taken more recently, incidentally, by such presidential hopefuls as Senators Eugene McCarthy and Robert Kennedy in touring the farm belt.

"Labor can do it, why can't you?" asked Mr. Freeman in promoting bargaining as an idea whose time has come. He has urged farmers to consider joint farm-industry boards for market-wide control of marketing on an individual commodity basis, and an agricultural equivalent of the National Labor Relations Board.

Since the issue is now in the legislative arena, it's revealing to look at the maneuvering of the Administration and Congress just this year.

In his State of the Union Message, last January 17, President Johnson reviewed the farm economy briefly and pledged, flat-out: "I shall recommend programs to help farmers bargain more effectively for fair prices."

LBJ passes buck

But less than two months later, the President bucked the issue to Congress. To be sure, his farm message requested: "New bargaining authority for the farmer, to give him a stronger voice in setting terms and conditions for the sale of his product." But he left it to Congress to figure out how.

Then there was a bill called S 109. This was a Senate-passed measure to prohibit buyers of farm products from discriminating against suppliers who join voluntary associations such as developed by the Farm Bureau.

In an unprecedented degree of unity, often cited by observers as an indication of broad support for bargaining, all major farm organizations supported it. (Several dropped off after the bill was amended to apply the same sanctions to cooperatives as to processors, making it

Democratic Senator Walter Mondale of Minnesota is sponsoring legislation to create an agency like the National Labor Relations Board to oversee collective marketing of U. S. farm products. Supporters drew the flow-chart to show how the bill would work.

a two-way street.) Its author, Sen. Aiken, figured it was dead with the drop-off of support, and also suspected that the Administration was working to kill it by keeping a House version bottled up in the Rules Committee.

This view gained credence in light of the attitude of Agriculture Department aides responsible for drafting legislation, who said the Administration program would supersede the Aiken approach supported by the Farm Bureau.

William S. Abbott, a special assistant to Secretary Freeman, argued that the voluntary approach would be ineffective and that farmers needed greater powers to control price and supply, backed up by government power.

When the Administration began backing and filling on specific legislation, the Aiken legislation came unstuck in the House, hit the floor and was passed amid some audible confusion as to where the Administration and farm organizations stood on the matter.

Rep. W. R. Poage of Texas, chairman of the Agriculture Committee, failed to eliminate the confusion altogether when he assured the House that an assistant to the Secretary had authorized him to proclaim the Department's support provided certain amendments were adopted.

At this point, practically everybody was agreed that the amendments in question would merely change some language, in Mr. Poage's words, "without changing in one iota . . . the legal effect of the legislation."

Congressmen comment

Comments of some members give some idea of Congressional sentiment not only for the Aiken bill but for other legislation in the same field.

"Unless ways can be found to pay fair prices for the production of food, our countryside will soon be no more than a corporate-type conglomerate agriculture that will drive thousands upon thousands of our farmers into the cities" said Rep. James V. Smith of Oklahoma.

Said Rep. William J. Scherle of Iowa: "If farmers, voluntarily together, can become more effective in obtaining a fair price in the marketplace, the need for government interference in our agriculture price structure will be eliminated once and for all. Its passage will cost us nothing in dollars."

Some in business supported the

bill, by contrast, in hopes of heading off stronger federal legislation, which nevertheless is pending.

The bill passed the House, was accepted by the Senate, and at the last possible moment, signed by President Johnson who for all his and Secretary Freeman's talk of farm bargaining issued no statement in connection with the signing.

In the Senate, meanwhile, Minnesota Sen. Walter F. Mondale introduced a much more far-reaching bill.

In essence it is a paste-up of the approaches promoted during the past year by Secretary Freeman, though minus the radical idea of producer-buyer marketing boards, and would apply criminal penalties and treble-damage sanctions against food processors who violate the Aiken bill.

One section would establish a National Agricultural Relations Board, which would supervise the formation of NLRB-type farm bargaining organizations roughly along the lines of unions.

With farmers regarded as individual workers and their customers as management, the NARB would conduct referendums analogous to representation elections and elections of farmer committees as bargaining agents to deal with buyer committees as opposite numbers at the negotiating table.

Edward Brown Williams, counsel for the National Association of Frozen Food Packers, has pointed to one wrinkle—that the Mondale bill goes much farther than the NLRB, which merely prescribes good-faith wage bargaining, though not necessarily a settlement.

Under the Mondale bill, he told Congress, "you've got to come to a decision on prices. If you do not, you will get an arbitrator or the court to make you."

Another section would make all commodities legally eligible for marketing orders. This is a device in limited effect since the 1930's whereby producers in a given market area vote by referendum to set marketing standards governing quality, quantity, grade and size of commodities actually sold—as distinct from production controls—and other matters such as surplus disposal, joint research and product promotion.

These marketing orders do not directly set price, except in the case of milk, but influence it indirectly by controlling the flow of products into commerce. Depending on Con-

gressional legislation, processors or other purchasers may or may not have a say in drafting the terms or approving the order.

The Mondale bill would expand the marketing order approach, deprive processors of their voice, make price one of the terms subject to an order, and include collective bargaining as a requirement in addition.

Despite his earlier oratory, Secretary Freeman ignored the NARB—or NLRB—approach and limited his support of the Mondale bill to the marketing order section, which some observers give best odds for passing.

Little trust in government

Farm organizations are deeply split in their trust of government. Some insist on greater federal backing; others fear what they would be letting themselves in for in view of the big consumer drive in Congress and the waning numbers and political strength of farmers.

Outside observers also point to the increasing urban character of Congress, many of whose members might think a marketing order is what their wives ask them to pick up at the store on the way home from Capitol Hill.

Mr. Heiney of the National Canners notes that some legislation, like the marketing order approach, looks harmless enough—it's been lying around for years—and has the appealing appearance of providing farmers the tools for self-help.

Other possibilities include greater exemption from antitrust laws for cooperatives, including new authority for coops to merge or bargain jointly.

Some Senators are openly sympathetic to bargaining power. They urge critics to offer alternatives other than the status quo (arguing that the farmer is partly the victim of federal legislation enacted to benefit other groups).

The safest estimate now is that Congress will not act hastily. Several witnesses testifying on the Mondale bill were instructed to do more homework on its far-reaching implications.

Meanwhile, the number of farmers continues to decline, contracting for production in advance of planting continues to rise, integration of farming from ground to the table expands, all increasing the discipline and organization of agriculture and its potential for joint action, government-backed or otherwise.

END

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PHOTO: GEORGE JAMES

In his Minority leader's office, Rep. Gerald R. Ford makes the point: the G.O.P. must push its own programs.

A NEW SPEAKER OF THE HOUSE ?

G.O.P. has ex-football star waiting on the bench if magic gain of 31 comes up

Majority leader Carl Albert is the Democratic heir-apparent



Hale Boggs is second in line in Democrat leadership hierarchy.

PHOTOS: UPI



Wilbur Mills, Ways and Means chairman, rates strong support.



In the topsy-turvy world of political prognosticating, more hazardous this year than ever before, pundits now are playing "Probable . . . Possible . . . Perhaps . . ." about the powerful post of Speaker of the House.

For Republicans, who gleefully predict the odds are on their side to add 31 seats to the 187 they hold and gain control, an ex-football hero is waiting on the bench to wield the gavel.

For Democrats, who openly scoff at prospects they'll be turned into the minority party for only the third time in a generation, it's a more complicated case, depending largely upon two factors: over-all election returns and the personal desires of Speaker John W. McCormack of Massachusetts.

There isn't much doubt that Republicans will tap Minority Leader Gerald R. Ford, the big, blond, one-time linebacker for the University of Michigan, for promotion if they become the majority.

But he brushes off such talk with "let's get Republican candidates elected. We've got to push Republican programs. I'll do my job and take my chances at being Speaker."

Pushing candidates and the G.O.P. program is what makes it almost a cinch for Rep. Ford to move up if Republicans do gain control of the House, despite some grumblings from critics who label him "unimaginative," "dogmatic."

He travels many thousand miles a year championing the G.O.P. Congressional cause, averages nearly 200 speeches and with missionary zeal touts this theme for party success: constructive alternative programs, not opposition for opposition's sake.

The Democrats have another sort of dilemma. Increasingly the venerable Speaker McCormack has become a target of criticism: from some Democratic members who complain he's lost touch; editorials that call for him, at 76, to step aside for a younger man; from those who contend his lean, gaunt television appearance is hurting the party image.

There isn't any overt move among Democratic members to shunt Mr. McCormack aside. Only one, Rep. Richard Bolling of Missouri has suggested he be replaced and this brought a wave of belligerent defense for the South Boston native.

Rep. Bolling blamed failure to pass the President's legislative program in 1967 in part on a lack of very effective leadership, and scored the Speaker for not having "the

skill to anticipate trouble." He said he hoped Mr. McCormack would resign after this session and be succeeded by Majority Leader Carl Albert.

The Speaker tartly replied he would "not lower the dignity" of his office by noticing presumptuous remarks, adding: "All members have known for a long time Mr. Bolling's keen disappointment in not being elected to a leadership position in the House," a reference to Rep. Bolling's abortive bid to be Majority Leader in 1961.

The Democrats' dilemma

Most Democratic members today simply turn white when the subject of Speaker succession comes up, turn away and break off conversation. But there is some out-loud speculation, ridiculed by intimates of the Speaker, that he may step down voluntarily.

Those who muse in this vein do so this way: if the Democratic majority is cut drastically, as it was in 1966 when 47 new Republicans were elected, the Speaker might interpret any paper-thin edge as a sign a change was needed.

If Mr. McCormack, who has served in Congress 40 years and as Speaker for seven, were to decide on his own to stand aside and assume an elder statesman's advisory role, a brawl could shape up over his successor—but again only if the heir apparent were to bow out.

Hard-working Majority Leader Albert, the "little giant" from Oklahoma's "little Dixie" Third District, is almost everybody's favorite and confidant in the House Democratic membership. At 60, he's a firm bridge between senior and junior members. Only the fact he had a heart attack in 1966 causes any speculation he wouldn't succeed Mr. McCormack. Some members wonder "if it wouldn't be too much to ask of Carl." But his friends say he has fully recovered, "as good as Lyndon Johnson did" after the heart attack the President suffered while Majority Leader of the Senate.

Rep. Albert himself has publicly said he is as fit as ever and only needs to watch his weight.

There is some strong sentiment for one day handing the Democratic reins to Wilbur Mills of Arkansas, chairman of the powerful Ways and Means Committee which originates all tax legislation. Nobody is sure Mr. Mills would take the post and he certainly isn't courting it.

The third man in the Democratic leadership race in the House is Majority Whip Hale Boggs of Louisi-

ana. There are many who believe Northern liberals would never elevate him because of his southern background.

The rumblings over Democratic leadership go back to the beginning of the Ninetieth Session, when it misjudged the mood of the House in the censure proceedings against Harlem's free-wheeling Adam Clayton Powell. Rather than mere chastisement, the House refused to seat him at all on ethical grounds.

But Rep. Ford's Republican leadership was rebuffed on this, too. It had been willing to go along with punishment short of refusal to seat him.

A primary reason for the drastic slowdown in the passage of the pell-mell volume of Democratic proposals this session has been the loss of those 47 seats two years ago; the uneasy mood of the nation in the face of the war in Viet Nam, inflation, riots, high federal spending; and the drastic drop in popularity of the President and his Administration.

It is the success of '66 that leads Rep. Ford to say "we have excellent indicators that we will pick up 31 seats this time."

"If we could pick up 47 considering the circumstances in 1966, and compare the situation to today—when we are worse off domestically and internationally—we certainly should get a net gain of 31."

The Republicans in Congress hit a low ebb in 1964 when, in President Johnson's landslide victory over Barry Goldwater, their ranks were trimmed to 140 members in the House.

Ford's philosophy

Rep. Ford had written an article for a national magazine after the elections on what could save the Republican Party. He advocated rejection of the philosophy of one-time G.O.P. Senate Leader Robert Taft, "the mission of the minority is to oppose." Instead, he called for constructive alternatives to all Administration proposals and burying any formal alliance with Southern Democrats.

"Our view ought to be our own view," he said. "If we support a Presidential recommendation, fine; if we seek amendments to it, or if we seek to defeat it, we should do so because this is the Republican position. Then if northern Democrats or the southern Democrats vote with us, fine; but they will be voting for a Republican position."

This article was in print when the Republicans in the House met at the start of the Eighty-Ninth Con-

gress and decided against continuing Charles Halleck of Indiana as Minority Leader. Instead they put Rep. Ford into the spot.

"Jerry's certainly no raving liberal," says a close friend. "But he's no ideologist. He's pretty open-minded. He can be persuaded."

Mr. Ford does present a new image of Republicans in Congress. At 54, he looks 10 years younger, largely because he's what one friend calls a "bug on physical fitness," swimming almost every day, walking fast, skiing whenever he gets the chance. He's six feet, keeps his weight to around 198 pounds.

A 20-year veteran of Congress, Mr. Ford represents a Republican district from Grand Rapids, Mich., and often is gigged by critics for "being just like the furniture made there: solid but with no flash."

The boyish dimples that pop up when he grins deepen if Mr. Ford is asked how he reacts to criticism he doesn't dazzle.

"I think my training in athletics and as a coach well prepared me for Monday morning quarterbacks."

If Mr. Ford is faulted for not being mercurial, he is scored high on accomplishments and rated the tag "a Congressman's Congressman" for his legislative knowledge from one group.

Football has played a big part in his life, center-linebacker on two undefeated national champion Michigan teams, most valuable player on a third (which won only one game), a member of the All-Star football squad in 1935 that played the Chicago Bears.

He helped pay his way through Yale law school as an assistant coach in the class that also included Supreme Court Justices Byron White and Potter Stewart, former Pennsylvania Governor William Scranton and the man who succeeded him, Raymond Shafer, and former poverty czar Sargent Shriver.

The jargon of sports is liberally sprinkled throughout Mr. Ford's conversations: keep your eye on the ball, don't forget the main goal. He promised when taking over as Minority Leader that every G.O.P. Congressman would be "in the game," and a "60 minute player."

Rep. Ford has often been called "the All-American boy," the "kid next door who made good," with a pretty wife and handsome family of three sons and a daughter.

He is easy-going and while no stump-busting orator, comes through



Ex-University of Michigan football star Jerry Ford keeps in trim with almost daily swim at home and makes big splash as House G.O.P. boss.

as sincere and devoted to his beliefs.

Republican prospects

A "Boosters Club" to raise money for G.O.P. Congressional candidates played a big role in the 1966 comeback and there's \$1 million available now for candidates going against Democratic incumbents.

Rep. Ford doesn't see how Democratic Congressmen can help but be hurt by the waning popularity of the Johnson Administration.

"I just think the voters are going to be smart enough to know the party that bears the responsibility for the mess we're in," he says.

He sees two of the broad issues hanging over the Congressional elections this year as:

The domestic fiscal crisis and turmoil in the cities.

The fiscal crisis, he believes, is

really the major one the nation must face in the year ahead.

"It's of overwhelming seriousness. If you don't solve this, if you don't have a sound dollar, you can't solve the metropolitan problems or anything else. You can't be strong externally and internally without a sound financial structure."

The way to do this, Rep. Ford says, is to cut back on federal spending. This is a cornerstone of the Republican program.

Hammering together a total G.O.P. program is one of his major accomplishments as Minority Leader. He set up a strong research and planning committee, created some 10 task forces on issues in which all of the 187 G.O.P. members are involved.

"I get some complaint there's too much activity," he grins. "But I'd



A G.O.P. leadership conference: Rep. Gerald R. Ford (left) and Sen. Everett M. Dirksen.

rather have too much than too little."

Rep. Ford rejects the contention that he is a tough Minority Leader and holds members' feet to the fire.

"The civil rights vote proved this isn't true," he says. Rep. Ford wanted the bill to go to a conference to settle differences rather than for the House to accept the Senate version which differed drastically from the one adopted in the House.

"I told them to vote their conscience and the way their districts felt."

There was a boomlet for Rep. Ford as a possible Vice Presidential nominee in 1960, more serious talk of this a few months ago. But he says "absolutely not."

One reason for the rejection is that Rep. Ford sincerely wants to be Speaker of the House one day.

"I have no ambition to be Minority Leader in perpetuity," he often says.

He also has said "the mission of the minority is to become the majority" but adds he doesn't mean this in the narrow sense.

"It's up to the minority to come up with responsible programs and actions that will make people want to make it the majority."

The Michigan Congressman is taking a strictly hands off stand in the Republican Presidential jockeying. One reason for this is that he is almost sure to be the permanent chairman at the party's nominating convention in Miami Aug. 8.

If Rep. Ford does get to be Speaker, and his party doesn't capture the White House, it is logical to assume that he'll become a major spokesman for the G.O.P.

And if this situation does come to pass, odds are that his own Republican State of the Union message (in reply to the one by the President) will be the cornerstone of a legislative package.

High in any such program will be revenue-sharing with the states, for it is his belief that this is the way to help local and state governments.

"In the long run, this is the only way you can build constructive federalism."

"You're never going to get this as long as the Democrats are in control. You'll just get more expanded government programs."

While Rep. Ford is openly optimistic that the Republicans will get control of the House, he knows the odds are only 50-50. He's got the same odds to be "Mr. Speaker" next year.

END

THE WRONG MEDICINE FOR A SICK DOLLAR



Cut government overspending and don't limit business investing abroad if you want to reduce America's payments deficit, Mr. Sommer advises.

An interview with Charles H. Sommer, Monsanto president, on mandatory investment curbs and the effect they're having

For years, American industry has invested abroad. This has helped raise the standard of living in foreign lands while at the same time returning a profit to U. S. shareholders.

It has been a definite "plus" in our balance of payments because the initial investment flow of dollars out of the United States is outweighed by the greater return from that investment.

Yet the government is now restricting American investment abroad.

On January 1, a Presidential Executive Order told businesses where and how much they could invest, and how much of their profits must be repatriated. The mandatory controls replace earlier, voluntary ones.

What has been the effect of these controls? What will be the effect if they are continued for very long?

To get the answers, NATION'S BUSINESS interviewed Charles H. Sommer, president of Monsanto Co., one of America's largest international corporations. The interview, conducted in Mr. Sommer's

office at the company's St. Louis headquarters, follows:

Mr. Sommer, what effect are the mandatory balance-of-payments controls having?

The Commerce Department is still trying to become a bit more definitive in its administrative regulations. The controls haven't stopped any of the programs we had in mind for 1968. But foreign investment is going to cost us and others more because we have had to borrow money abroad at very high rates, particularly in England. We had funds elsewhere, but the controls make it difficult to move money around.

For the longer term, what will be their effect?

They are certainly going to reduce the amount of dollars that come into the United States as a result of reduced investment.

Even for the short term, these controls are not going to be a major factor in correcting our imbalance of payments. The flow of investment abroad is not the big prob-

lem, it's the tremendous amount of overspending by government.

It's important to remember that American business returns many more dollars to the U. S. than it invests abroad. And this is a very positive factor in our balance of payments. In recent years, prior to the controls, for example, Monsanto has returned nine dollars for every one invested abroad. People must realize that every dollar of investment restricted today means "X" dollars less of return to the United States in the future.

Another thing. In all probability, the longer these controls go on, the more complicated they will get and the more top management and additional people will be needed to assure compliance.

Already we as a company have one man in our treasury department working full time on the controls. Our international division and law department have men assigned to them. I must say a great deal of my time, my treasurer's and one of the assistant treasurer's is devoted to the controls.

In my opinion, they are going to

be more difficult to administer than the wage and price controls of World War II and the Korean War.

Will you elaborate on that, please?

Yes. When a business is considering an investment abroad, numerous things are weighed: the market, manpower, utilities, raw materials, taxes, to name a few. It is always difficult to match these so that in the end the American stockholder benefits. But when you complicate matters by trying to administer investment and a form of monetary controls from the United States, and then in turn encounter similar controls abroad, you are literally chasing yourself.

Any time the government injects itself into business, it is just another complication, another cost, another slowing down.

Do you feel the mandatory controls discriminate against companies which complied with the earlier voluntary program?

Let me answer with an example. As part of our cooperation with the voluntary controls, which the mandatory ones replace, we decided to sell a \$25 million convertible debenture issue abroad and formed a subsidiary to handle the sale.

We incurred a substantial service cost which would not have been necessary for financing available to us in the United States. We could have taken some money from our corporate treasury, borrowed the rest in the United States and then sent it overseas. But we didn't because we wanted to cooperate with the voluntary program and not send dollars out of the country.

As it turned out, if we had not cooperated and had instead sent the money from here, our base for the mandatory controls would have been increased by such funds invested in our overseas operations in 1965 and 1966. So you are penalized under the mandatory curbs for your earlier voluntary cooperation.

We aren't asking for any bouquets for our cooperation. We did what a good citizen should do. But we don't like to be spanked, either. And other companies are in the same boat.

Do the controls threaten to force American companies operating abroad to pretty much stand pat while foreign competition moves ahead?

We won't feel the effect this year, but down the road we could have increased difficulty doing some of the things we want to do abroad if the curbs continue.

Look at what is happening in Mexico, where commercial banks

RULES THAT THREATEN FUTURE INVESTMENT ABROAD

What do the mandatory investment controls provide for?

- They place an annual limit on the amount of dollars an American business can transfer to its foreign ventures.
- They specify how much of the profit of American ventures abroad must be returned here annually.
- They require that short-term financial assets of such ventures must not exceed the average level of 1965-66.

These rules apply to any U. S. non-banking company which owns at least 10 per cent of a foreign operation and invests or reinvests more than \$100,000 abroad each year.

Penalties for disobeying the rules: \$10,000 or 10 years, or both, for officers or agents of U.S. businesses; \$10,000 or five years, or both, for falsifying, concealing or scheming; and the right reserved to the Commerce Secretary to prohibit any investor from investing abroad.

The controls divide the world into three sectors—each treated differently.

"A" countries are the underdeveloped ones, mainly in Latin America, most of Africa and Asia.

"B" countries are the United Kingdom, Japan, the Middle East oil countries and a few other developed areas.

"C" countries are those in continental Western Europe, South Africa and the communist countries. Canada, which when the controls were first announced was a "B" country, argued and won an exemption.

The controls are least stringent for "A" countries because our foreign policy seeks to help less developed lands. Among other things, the controls there allow the transfer of capital from the United States so long as it doesn't exceed 110 per cent of the average invested in '65 and '66.

For "B" countries the rules tighten. For instance, capital investment from the United States can't exceed 65 per cent of the 1965-66 base.

Businesses operating in "C" countries get the harshest treatment. There can be no new capital investment from the United States; no new capital transfers from American enterprises in "A" or "B" countries; and reinvested earnings are limited to 35 per cent of the 1965-66 average investment. Repatriation of profits must be in the form of a dollar deposit in a U. S. domestic bank and must be the larger of:

The average annual percentage repatriated in 1964, '65 and '66.

Or the portion of earnings that exceeds 35 per cent of the average U. S. investment in 1965 and '66.

The controls affect 700 to 800 major companies and aim to "save" our balance of payments \$1 billion this year.

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WRONG MEDICINE FOR A SICK DOLLAR

continued

collectively agreed to reduce the amount of lending by five per cent this year and five per cent next year to what they call foreign subsidiaries. This, of course, makes it harder and more costly for Americans to raise money in Mexico.

The British have started putting regulations into effect because of their tight money situation.

Are you saying they are retaliating against our controls?

I am saying there could be retaliation, not political but from the standpoint of economics. The governments may find it necessary to take steps to protect their economy.

The trend at the moment is to make it more difficult for Americans to borrow abroad. The rates themselves are high. But it is not just the rates. It is the conditions you have to meet and the availability.

Do you think the investment curbs will indeed be temporary?

I'm hopeful but not optimistic. Usually when a control goes on, it takes a long time for it to come off.

Are the controls having any effect on future planning by businesses?

What they do, I think, is take away some of the flexibility American business needs to compete abroad.

They allow you to do only so much in certain parts of the world. And once you've made a decision on investment, the controls tend to 'lock you in.'

Should there be greater flexibility in administering the controls?

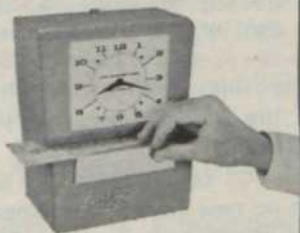
Yes. Unfortunately, the Commerce Department has not been given sufficient latitude.

Let me cite a few examples. We had completed a substantial part of the construction on several of our overseas plants when the mandatory controls became effective. The controls did not allow for this normal type of situation except through a detailed application for relief and the required waiting period, hopefully for a favorable ruling.

This is not practical. In a highly competitive world-wide economy, what happens to the company that just stops what it is doing and waits hopefully for a favorable ruling? We are just one company, but there are other companies that have the same problems.

END

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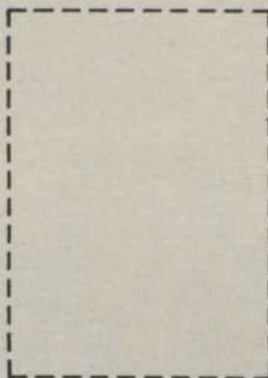
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It's no fun being No.1



if there's no No.2

Imagine not having a rival. No one to keep you on your toes. No reason to try harder. No reason to get better.

And a lot of reasons for being smug and lazy . . . and, maybe, to raise your prices from time to time.

Pity your poor customers. With no choice, they'd be right at your mercy.

You'd still be No. 1. But, only because there was no competition.

That's why it's so strange to hear some of the armchair economists, often in the name of "consumer protection," make proposals that, far from encouraging competition, *actually would tend to restrict it.*

For instance, they think the government should limit the amount of advertising a company can do because it gives the big company too much of an advantage over the little company.

Forgetting that advertising is a major tool with which smaller companies work to **grow big**. The weapon with which Avis takes on Hertz, and VW challenges Detroit.

Restrict advertising and you restrict competition.

Restrict competition and you strike directly at the heart of our free choice economy . . . the economy that has produced so much for us all and for the rest of the world.

Granted, any economy needs some regulation. But, let's make sure that regulation doesn't turn into strangulation.

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We broke open our Handi-Van

- 1** We're the truck people from General Motors. We just sliced apart our new Handi-Van to show you how it's built. We could have given you a pretty picture and let it go at that. But the real value of a GMC is under the skin. We think showing you these hidden features will make you a believer.
- 2** This is our giant van. The distance from the front wheels to the ones in the rear is 108 inches. Our smaller van has a 90-inch wheelbase. Both are finely balanced to handle your load.
- 3** We didn't make a bigger van by simply tacking on more sheet metal around the frame. We weren't about to take a short cut like that. Instead, we started at the bottom and built a brand new foundation for our big van. This is why our load space is balanced. And why you're better off with a GMC.
- 4** You don't see a lot of seams and welds and joints in this van. The reason is we eliminated them every place we could. No wonder our bodies are stronger. And much longer lasting. There just aren't as many places for stress, rust and corrosion to get at.
- 5** Seat belts, four-way warning flasher, dual-speed wipers, plenty of safety items.
- 6** You can carry a 256 cubic-foot load here. And since our 108-inch van has a special wheelbase for its bigger body, there's a lot less jiggling and bouncing around. You're probably thinking that we told you this before. But a point this important is worth repeating.
- 7** The I-beam front axle of our 90-inch model will support 2200 pounds and our 108-incher will handle as much as 3000.



just to make you a believer.

- 8** We put the engine right up here, by the driver. Because it's easier to get at for servicing. By the way, the molded engine cover also serves as a package tray. When it's not sealing out engine noises, that is.
- 9** We have three great engines for you to choose from. A 140-hp or 155-hp inline-six is standard. Or you can specify our new V8 with 200 horses.
- 10** These steel strips run the full length of the load floor. They're good for sliding heavy items on and off the van. And you don't have to stretch or bend much to do it. Because the load floor is a scant 22 inches from the ground.
- 11** The amazing thing about a GMC is how much more truck we give you. And how little more we charge you for it. Talk to your GMC Truck dealer about price. He's eager to make you a believer, too.



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THE CHANGING ASSOCIATION ENVIRONMENT

A SPECIAL REPORT TO BUSINESSMEN

- THE BUSINESS ENVIRONMENT
- THE GOVERNMENTAL ENVIRONMENT
- THE HUMAN ENVIRONMENT
- THE PHYSICAL ENVIRONMENT

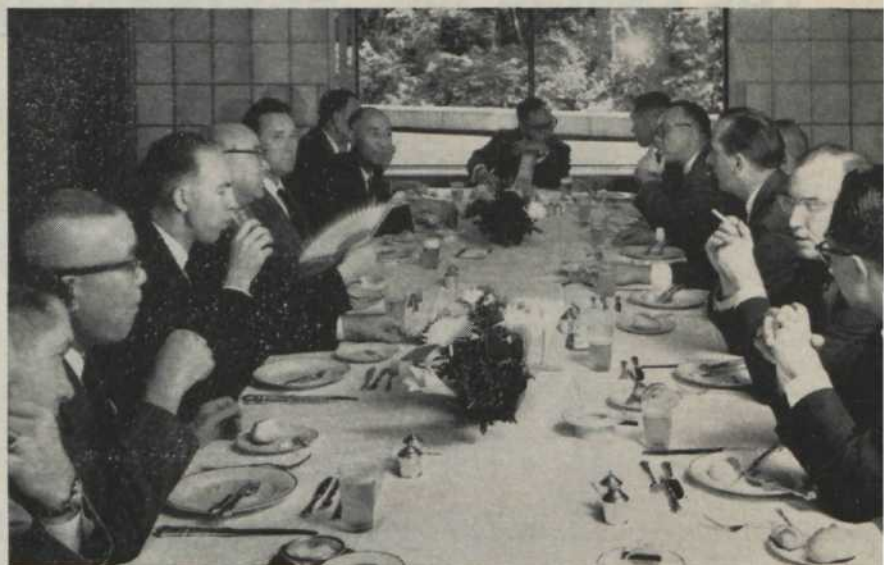


If you're a typical reader of *Nation's Business*, you belong to three or more associations. Here is a report on how America's more than 12,000 voluntary associations, business and professional, local and nationwide, are responding to the challenges of today's changing American environment—and what they must do to continue to flourish.

The following articles were written by (left to right above) Arthur H. Motley, president, Parade Publications, Inc., Senate Minority Leader Everett M. Dirksen, John Wooten, executive director, Negro Industrial and Economic Union, and Stewart L. Udall, Secretary of the Interior.

THE BUSINESS ENVIRONMENT:

Modern problems, modern solutions



BY ARTHUR H. MOTLEY
President, Parade Publication, Inc.

What would you do if suddenly you realized your entire industry was in real danger of extinction?

These days it can happen almost overnight. And it was happening a few years ago to the American cattle hide and calfskin industry—until three trade associations joined hands to turn the market bullish again.

To the leather industry, vinyl and similar plastics were the villain. Versatile, lower in cost and often more durable, the post-war generation of plastics was taking over leather's traditional markets with impressive speed.

Then the three industry groups—The National Hide Association, National Cattleman's Association and Western States Meat Packers Association—said, in effect, "Boys, we'd better saddle up and look for some new customers."

One place they looked was Japan, and they liked what they saw. Although Japan was traditionally a poor market for leather due to the ancient Buddhist ban on animal slaughter, the rapid trend toward Westernization after the American

occupation had created a favorable attitude toward American luxury goods.

After an exchange of trade missions with officials of the All-Japan Leather Association, a trade agreement was signed. A promotion campaign was launched almost immediately, aimed at making Japanese fashion news with leather.

It has worked so well that in eight years America-to-Japan cattlehide and calfskin exports have grown to nearly \$50 million annually, making Japan the industry's largest export customer.

Today, in business, the name of the game is change.

Things happen so fast today that you as an individual businessman have lost a great deal of the control you used to have over what happens to your business. New products, new ideas, new fashions, new ways of doing things can change the whole nature of your business almost before you realize they even exist.

How can you keep up with the pace, much less do something about it? If you're a small businessman, how can you get the cost-cutting

efficiency of say computerized accounting which your bigger competitors enjoy? If you're an aeronautical engineer or a doctor, how do you keep up with the fantastic explosion of technical and research information? No matter what you do, how can you use today's (and tomorrow's) latest products, ideas and methods to help you do a better job?

Answer? You belong to an association: Use it!

Because right now, associations—business associations, trade associations, professional associations, large and small, world-wide and country-wide—are helping millions of members keep up on today's complicated business problems.

You're a small businessman, but you'd like electronic data processing?

If you belong to the American Collectors Association, you can subscribe to the Association's centralized data system, which will handle your billing, compute and write your checks and keep your books, all for a small monthly charge. The Iowa Grain and Feed Association

Even leather bathing suits now sell in Japan after good sales promotion by U. S. leather industry.



has a similar system for its members as do other associations.

Having trouble keeping up with new industry techniques?

If you're a contractor in Chicago and you're missing out on jobs because the Critical Path Method is on the specs and you can't provide it, the Builder's Association of Chicago has a course that will put you and your subcontractors in the picture.

Deluged with more information than you can possibly keep up with?

If you're a metallurgist and if you belong to the American Society for Metals, it's all on file for you in a million-dollar information retrieval system where you can find an answer in a millionth of a second. Or, if you're a druggist in South Bend, you can attend the Indiana Pharmaceutical Association's continuing educational program via state-wide closed-circuit TV (you can even ask the lecturer questions over the two-way circuit, and there are no commercials).

Think there's a market for your product in Europe, but can't afford a sales effort there?

If you're a member of the National Housewares Manufacturers Association, their reports will tell you what the market potential is, and participating in their trade fair exhibitions will help you get your share of the business.

Faced with a government decision that could bankrupt you in a year?

Be glad you're a member of the National Automatic Merchandising Association, which went to bat for you when it discovered that the proposed metal formula in the new coins wouldn't work in your vending machines—and helped persuade the Treasury Department to change the formula so the new coins would work.

Is the average age of your industry's maintenance men 57?

It was if you sold farm equipment in the upper Midwest a few years ago; but then the Retail Farm Equipment Association of Minnesota and South Dakota set up a vocational training program with the state school system and brought some new blood in (and the first 16 graduates got 181 job offers!) to lower the average age to 41.

Want to know where to open a new restaurant in Oklahoma?

Better join the Oklahoma Restaurant Association first; they've set up a computerized site evaluation program that's right 95 per cent of the time. (Could Howard Johnson do any better?)

Today, more than ever before, associations offer the individual manufacturer, retailer or professional man an extended reach that could be the difference between success or failure. The American Society of Association Executives has sponsored this special section to give you some idea of the scope of activities and service available to you as a businessman who belongs to one or more associations.

ASAE member association executives are actively engaged in continuously trying to do more things and do them better for their members in the thousands of associations they manage in every state in the nation. They welcome and need your active participation, your suggestions, and yes, your criticisms, too.

Why not take them up on it?

THE GOVERNMENTAL ENVIRONMENT:

Don't just oppose... propose

BY EVERETT M. DIRKSEN
Senate Minority Leader

One day recently, while visiting in my home state of Illinois, I was talking with a prominent member of one of our best-known industrial associations.

"Senator," he told me proudly, "at the last session of the legislature in Springfield, our association helped defeat 43 different bills."

"That's fine, Eddie," I replied, admiring such tremendous energy in defense of his industry. "By the way, how many bills did you help pass?"

"Four," he said.

Now I don't think anyone who knows my record in government would call me unfriendly to the free enterprise system. But sometimes when I hear my business friends talk the way Eddie does, I can't help wondering if they're not missing an opportunity to do a lot more for their industries by working with government bodies rather than against them.

Dr. Norman Vincent Peale calls it, "The Power of Positive Thinking." I like to put it this way: Don't just op-*pose*... *PRO*-pose!

Of course, I don't mean to argue with an association's right to disagree with proposed legislation or rulings, nor its duty to fight as hard as possible to defeat those which it

feels are inimical to its members' best interests.

But for over-all effectiveness, the yea-sayers have it over the nay-sayers by a wide margin.

And, because the American Society of Association Executives has asked for my opinion on how associations can work most successfully in the governmental arena, I'd like to offer a few simple rules which I believe will be helpful.

1. Plan ahead. Do a little crystal-gazing to get an idea of what your industry's or profession's most important problems are likely to be in the next year or two.

You'll really be doing yourself a favor. You'll have time to do research, gather statistics and get the diverse elements in your association to agree on an over-all position.

Believe me, this can make a tremendous difference in the effectiveness of testimony before a legislative committee, or in obtaining desired action from government agencies.

The American Bar Association, as you might expect, is outstanding in this regard.

2. Prepare a legislative program. Every association has—or should have—its own legislative objectives, both short- and long-range. Take

Dr. Paul Dudley White (second from left) and Interior Secretary Udall lead Congressmen on a bicycle ride to the Capitol to publicize this popular and healthful form of outdoor recreation.

the time to establish priorities, have proposed laws carefully drafted and build up the strongest possible case for your proposals. Every legislator, from city councilman to Senator, welcomes this kind of help, because it saves himself and his staff the thing they have the least of—time.

Let me show you what can be accomplished with a well-prepared program. In May, 1964, with interest growing in the need for health and recreation, the Bicycle Institute of America arranged a Congressional Conference on Bicycling in America. At a breakfast attended by 64 Senators and Representatives (an exceptionally large turnout), Dr. Paul Dudley White and Secretary of the Interior Udall urged the inclusion of bicycle paths in proposed legislation on outdoor recreation programs.

After the breakfast, Dr. White and Secretary Udall led the Congressmen in a bicycle ride to the Capitol, producing pictures that appeared on the front pages of 47 major metropolitan newspapers.

What happened? Hundreds of new bicycle paths covering more than 6,000 miles have been opened in recreation areas all over our nation, and over 200,000 miles are



planned by the Department of the Interior in the next 10 years, including bicycle trails in the new Cape Cod and Fire Island National Seashores.

Needless to say, this is exactly what the industry had hoped for in planning its legislative program. This remarkable promotion by the bicycle industry's association was carried out for less than \$5,000 which covered all costs.

Of course, you can't realistically expect your proposals to be passed just the way they're written (and in some cases you may not recognize them at all), but they will almost certainly be more welcome to you than those that might be adopted otherwise.

There is, of course, one notable exception: Many model statutes, carefully worked out by associations, have been adopted with little or no change by large numbers of states and municipalities.

In 1922, a long time ago, the Thread Association, a small and powerless, but very determined group of men in New York City's garment center, helped to obtain passage through the state legislature of a bill they had drafted to protect the user of thread from dishonest selling and labeling. Before

the bill was passed, thread had been commonly sold by the gram, the grain, the fraction of an ounce, the foot, the inch and even the fraction of a ton, making it difficult indeed to know just what you were getting.

The law they wrote, over 46 years ago, to correct this unfortunate situation is still in force today, and has served as a model statute which has been adopted by 20 states, which account for most of the thread industry's manufacturing capacity.

3. Keep in touch. Nobody loves a fair-weather friend, or a foul-weather crybaby. On the other hand, it's easy to wear out your welcome by persistent, day-in, day-out, hard-sell tactics, even if what you have to say is extremely important to you. I think the most successful associations in this regard limit their contacts to occasions of legitimate interest while always remaining on the alert for ways in which they can help legislators by supplying needed information.

To "keep in touch," the American Industrial Bankers Association holds an annual Public Affairs Conference in Washington which is always well attended by members of Congress and the executive branch.

4. Be 100 per cent honest. Nothing less will do. One slip can ruin your association's reputation on Capitol Hill or in your statehouse for years.

5. Keep communication channels open. The association must know what's going on in the industry and why. Before it can speak as the voice of the membership, it needs to make sure that it represents an honest consensus of the members' opinions.

6. Cooperate with executive departments and regulatory agencies. A lot of law today is made through the rulings and interpretations of the hundreds of federal, state and local agencies. These agencies are not the ogres that some businessmen seem to think they are; they're just doing the job that the statutes require of them.

And everything I've said above is as applicable to your dealings with agencies as it is with legislators, including your right to differ when you think they have misinterpreted the intent of the Congress.

Sometimes an association can be even more effective in representing its members by working with the executive branch than with the legislative branch, because the agency does the actual administering of the law.

THE HUMAN ENVIRONMENT:

*Poverty—
Before you can teach them,
you have to reach them*

BY JOHN WOOTEN

Executive Director, Negro Industrial and Economic Union

I'm interested in making this country a better place to live for black people. I think you probably are, too—because doing so will make it a better place to live for everybody, black and white.

I think our organization—the Negro Industrial and Economic Union—can help. And I know that you—the reader of NATION'S BUSINESS—can help.

Why? Because of all the answers to the problem, one of the most effective is jobs.

I'm not talking about summer jobs. Sure, summer jobs are good in their way. They take the teenagers off the streets and put some money in their pockets.

But trying to solve the real black unemployment problem with summer jobs is like trying to help a thirsty man with an eyedropper.

What's needed are real, honest-to-God, full-time jobs. The kind a man can build a life around, raise a family on, buy a house on. The kind that puts pride in a man, makes him feel he's an important part of things, makes him believe there's a future for himself and his kids.

That's why Jim Brown and I and a number of other Negro athletes formed the NIEU—to help black Americans become a part of the mainstream of American life, so they

can really take part in and enjoy the good things this country has.

I think the first paragraph of our NIEU Statement of Purpose says it pretty well: "The Negro Industrial and Economic Union is an organization that seeks a meaningful and respectable position for the American Negro within the framework of the American economy, which it recognizes to be the greatest in the world. It does not seek a separate economy for Negroes or any other minority group, only full participation in the productive phases of the existing American economy."

We take two approaches to this objective.

One is to help promising new businesses owned and operated by Negroes get a good start and to help promote, support and expand existing Negro businesses.

The second is to build the skills and self-respect of black people by helping them get decent jobs in industries across the entire American business spectrum.

That's where associations come in. Only one company in a thousand or so is big enough to run the kind of program it takes to really do something, but almost every business and professional man belongs to some kind of trade, in-

dustry or professional association.

Many of these associations are sponsoring a variety of activities aimed at providing training and jobs for the so-called "hard-core unemployables" of the ghettos.

And that's where the NIEU comes in. Because no matter how sincere you are, it takes more than just setting up a program and announcing it's there to get the job done. Some of the best-planned, best-financed, best intentioned programs of the past several years have flopped because they didn't get through to the people they were trying to help.

Why? Because many of the black young people in the ghettos just don't trust anybody in a white skin any more. They don't believe anything they read in a white newspaper or see on a white TV station.

They've learned that when they're offered a job, it's a job nobody else wants—as a porter, a dishwasher, or a messenger. They've had jobs like that, and they've learned they lead nowhere. And they've learned that even if you do get a good job, if you're black you're the first to get fired when business is bad, which leaves you right back where you started. Unemployed.

So a lot of them have just given up. They hear the promises, but they don't believe them. They want good jobs, but when there's a chance to try for one, they don't take it.

These are the people they call "hard-core unemployables." And they're the people who have to be made employable if we're going to solve the race problem in this country.

How do you get through to them? How do you break down the barriers of distrust and hostility enough so they'll at least try?

You do it by talking their language. By going into their neighborhoods and using people they trust to talk them into trying, to give them confidence to take the big step and encouragement to stick with it when the going gets tough.

You can't do it. You're white. They won't listen to you.

But organizations like ours can. We have over 100 well-known Negro athletes working with us—heroes to black young people. Our offices are right in the ghetto areas. We've found that when we talk, black people listen and believe.

In other words, just as your programs can help us succeed, our program can help you succeed.

Here's a good example of how a

group like ours and a business association worked together to make a job program pay off.

Last year the Association of Contracting Plumbers of the City of New York, Inc., set up a nondiscriminatory hiring practices committee, aimed at including as high as possible a proportion of minority group members in training and employment programs.

They needed people who knew something about plumbing, or at least had an aptitude for it. But they found that many of the Negro applicants just weren't qualified to handle the course.

They finally ended up with 14 Negroes out of about 70, or 20 per cent, which isn't bad for a first try. And they noticed that some of the hardest-studying black trainees came from three of the toughest ghetto areas in New York—Harlem, Brownsville and Bedford-Stuyvesant.

Seems that C. V. Harris, a Negro consultant with the New York State Unemployment Service, was getting those good kids from the bad neighborhoods by working with an

outfit called the Workers Defense League. And the reason they turned out so good was that the League was making sure they did.

They recruited the kids off the streets, coached them on how to act at interviews and kept in touch with them right through the course to make sure they stayed with it.

Today six of that first 14 are journeymen apprentices making about \$190 a week, and the other eight are earning \$140 a week as maintenance and repair men. And they're all working at steady jobs.

The association learned almost as much as the trainees. This year their 81 apprentice trainees include 26 Negroes, six Puerto Ricans and two Chinese—42 per cent from minority groups.

Here's another illustration of how it pays to talk with the Negro's own language. It happened in the town where I play pro football, Cleveland.

In January of this year the Aluminum Siding Association announced a pilot program in cooperation with the Cleveland Board of Education—a 15-week night adult education course for Negroes, to

teach them how to apply aluminum siding. It's a skilled job and a good one, because it's in a growing industry with a real labor shortage.

But when the program was first announced by the Board of Education, only a few Negroes came in to apply for the course.

Then the association got smart. They ran a good-sized ad in Cleveland's Negro newspaper, *The Call and Bulletin*. Within a week, more than 100 men had signed up for the course, and the association ended up enrolling 42 men instead of the 25 they had planned on.

The course was held in a high school in a black neighborhood, and every one of the 42 men attended every session.

Most of them are already working for building contractors in the Cleveland-Akron area, and the rest will be soon.

Now they're planning to expand the program to seven cities and a total of 350 trainees.

Those were local programs. Here's a national one, told by a man who was involved in it.

"When we started our nationwide

Training program of Aluminum Siding Association helps hard-core jobless and solves critical manpower shortage.



PHOTO: SCOPE • FOTO ARTS



Night life. Lynda Gloria at Le Château Champlain, Montreal.

Convention, anybody?

A convention isn't all spangles and seltzer, you know. The body corporate needs space for grouping in a body. And more space for getting away from bodies. And all kinds of audio-visual paraphernalia to help you take the big view of things.

Maybe that's why more conventions convene at Canadian Pacific hotels (all 11 of them, coast to coast) than at any other hotels in Canada. Of course, it may not be just that we have more of the conventional trappings to give you. It just may be the unconventional way we go about it.

Convention, anybody? Contact Bill Gray, National Sales Manager, Royal York Hotel, Toronto, Ontario.

Canadian Pacific HOTELS

THE HUMAN ENVIRONMENT *continued*

On-The-Job program, our contract with the Department of Labor called for 50 per cent of the 1,000 trainees to come from poverty and disadvantaged groups," says this executive of the National Tire Dealers and Retreaders Association, Inc.

"We expected it would be easy to enroll that many, especially knowing how bad unemployment was in the ghettos.

"We got quite a surprise. Recruiting hard-core unemployed turned out to be the hardest part of the program. We really had to go out and dig them up. The U. S. Employment Service was trying to help us, but they only managed to come up with about 10 of the 500 men we needed.

"As it turned out, some of our best sources were Negro employees already in the industry, and contacts made by our field men with local groups like the NIEU in the ghetto neighborhoods.

"We ended up with 25 per cent participation by minority groups, mostly Negroes. When we made our report to the Department of Labor, we expected to find ourselves in trouble for not reaching 50 per cent, but instead we got congratulated for doing so well. Most of their programs had been far less successful than ours in recruiting Negroes.

"In the program itself, the Negro trainees did very well once we got them into it. We found that the men who didn't finish the course were proportionately divided among the racial groups, and of the more than 800 who did finish, over 95 per cent got jobs at higher pay than they had been making before.

"And we learned a lot about how to make our next program even better."

I hope these case histories will help convince you of the fact that reaching the Negro on his own

terms is important. Now let me make another suggestion about setting up a training program: Break it up into easy stages.

Let's face it, many ghetto kids are easily discouraged. They're used to failure, and every time they fail it makes them just that much harder to reach. Feeding a program to them just a little at a time can help them convince themselves they can do it.

I'll show you what I mean. The National Tool, Die and Precision Machining Association apprentice training program starts off with two eight-week pre-job courses before enrollees go into the machine shops as apprentices.

This gives kids who've never seen the kind of equipment they're going to work with a chance to get used to it.

It also gives them a chance to learn some basic things like shop math and blueprint reading a lot of them missed by dropping out of school.

And once they finish the first eight weeks they know they've got something, because the association promises and gets a job for everyone who completes that much of the course.

I could give you many other examples, from New York (the Printing Industries of Metropolitan New York) to Los Angeles (the Southern California Restaurant Association), but they all come down to the same thing; if you want to make a job-training program for Negroes work, you have to get Negroes into the program. And if you want to get Negroes into the program, the best way to do it is through the Negro groups that know how to reach them.

Work with the local groups in your own black community, or work with us. I don't care which as long as the job gets done.

Our headquarters are in Cleveland, but we've got offices in New York, Los Angeles and Kansas City, and we're moving into other cities as fast as we can raise the necessary money.

If you want to know more about how we can help you, call or write me, John Wooten, at our national headquarters 10515 Euclid Avenue, Cleveland, Ohio, 44106.

As I said earlier, if you're willing to set up a program that can help us reach our goals, we'll do our share to help you make it work.

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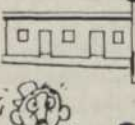
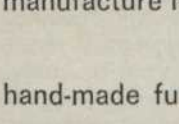
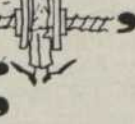

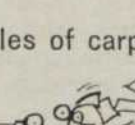
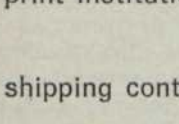
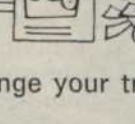

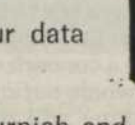
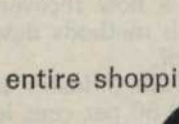
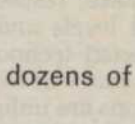

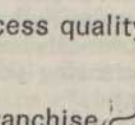
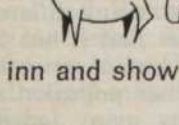
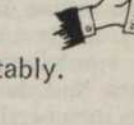
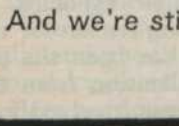
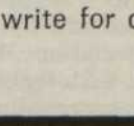
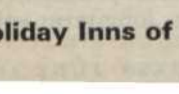
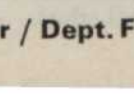
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THE PHYSICAL ENVIRONMENT:

If we don't control it, it may control us

What would happen . . .

- If you parked your car in the garage and sat there with the motor running?
- If you and your family used untreated factory waste for drinking water?
- If you tried to "live off the land" in the Sahara Desert?

The sad fact is, the human race is dangerously close to doing all these things on a world-wide scale today. And the results could easily be as fatal to our species as the shrinking of the great swamps was to the dinosaurs millions of years ago.

Am I exaggerating? I wish I were. But one five-day smog in London is said to have caused deaths in the thousands. Much of Lake Erie today is unfit to swim in, unfit for fish to live in and increasingly unfit as a source of public water supply. And whole square miles of the Appalachians are almost as devastated and unlivable as the surface of the moon.

How did it happen? Who is to blame?

I see no point in blaming anyone. Our massive pollution problem came about as the inevitable result of generations of neglect and of the passive acceptance of a fouled environment as the price of economic progress. Few saw it happening. Fewer still thought it important.

Suddenly, it has happened, and it is important. And we must do something about it quickly, before it does something to us.

It is a big job. Estimates for the repair of our air, land and water range as high as \$400 billion dollars in the United States alone by the year 2000. That may seem an expensive price to pay for our past mistakes. But it is a price we must pay, because it is the price of survival.

What can associations do about it? The fact is, associations are

uniquely well-suited to play a major role in the over-all solution to the pollution problem.

The American people are aroused about water pollution, for instance, and the Congress has responded with federal legislation of immense importance. Federal financial assistance has been increased, enforcement authority has been strengthened, and now, for the first time, specific water quality standards are being established for all interstate and coastal waters. Moreover, many states are establishing similar standards for their intrastate waters as well.

The water quality standards program adds up to the first concerted, national effort to clean up dirty water and to keep clean water just as pure as possible from here on out. This is a major breakthrough in water quality management in this country, but the size and importance of the task require a concerted effort on the part of the whole nation.

The undertaking will demand an educated populace, responsive government at all levels and an organized and directed technology. The role of associations will be vital. Indeed, associations are uniquely well-suited to play a major role in the solution to the water pollution problem and to the over-all challenges we face in the increasing pollution of our environment.

By combining the knowledge and experience of an entire industry or profession in a single coordinated effort, and by spreading the high costs of research and development fairly among its membership, an association can do a better job than its members individually. In addition, most associations have continuous contact with legislative and regulatory bodies, providing the necessary communications for a more effective national effort.

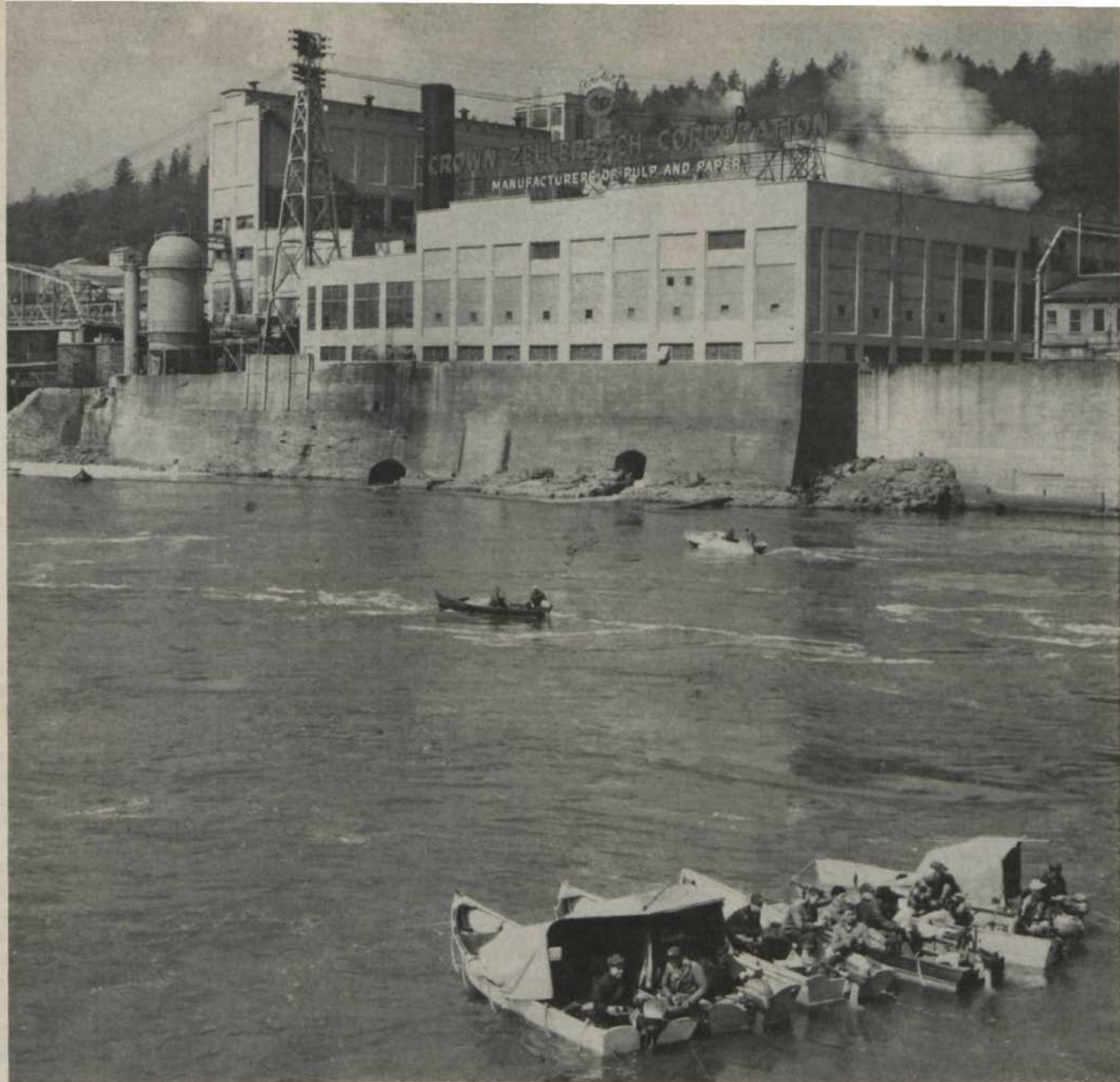
An outstanding example is the work of the National Council for Air and Stream Improvement, founded in 1943 by the paper, pulp and paperboard industries. In the process of developing solutions to the paper industry's pollution problems, the Council has become, in effect, an environmental research department for the entire industry. It has spent over \$8 million on direct projects and generated perhaps another \$25 million in research by individual companies and allied organizations.

It has been a sound investment. The Council has not only prevented pollution which might well cost the industry \$1 billion to correct at this late date, but has also developed processes which have saved its members far more than the cost of all the research projects. The preservation of resources is the real business of conservation, and it is highly profitable.

Over a million tons of re-usable pulp fiber, formerly discharged into rivers and lakes, is now recovered every year through methods developed by the Council.

In the process, the industry has learned how to use 50 per cent less water per ton of paper produced, an impressive statistic indeed for an industry which literally can't live without water.

In fact, the Council for Air and Stream Improvement has done so much research on so many different aspects of pollution that it has become a prime source of scientific information for other pollution researchers—including many federal, state and municipal agencies. I think the underlying reason for the Council's success has been the paper industry's realization from the beginning that it was involved in a continuing, long-term problem, requiring continuing, long-term solu-



Sportsmen fish for salmon in once polluted waters near paper mill on Willamette River.

tions. They realized that the economics of production cannot be separated from the economics of ecology. It in no way detracts from the Council's achievements to note the increasing influence of the federal water pollution control legislation in the total effort. Wider and wider application of the Council's findings by individual mills is definitely in the offing.

Or, as one paper executive put it, "We saw the handwriting on the wall, and thank goodness, we did something about it."

Here are some other examples:

► The National Association of

Metal Finishers has joined with the Federal Water Pollution Control Administration (each putting up \$100,000) in a research project to find more efficient ways of treating waste water containing chromium and cyanides. The two-year project is aimed at producing not only purer water, but also economical recovery of the chemicals involved.

► The National Paint, Varnish & Lacquer Association is sponsoring a \$270,000 smog chamber project at the Battelle Memorial Institute to study the causes, effects and possible control of smog—the kind

made famous by Los Angeles, but now unfortunately all too frequent in other cities. The construction of the smog chamber and its first two years of operation are being paid for by the association and its members.

► The National Coal Association is in the midst of a five-year project on sulfur dioxide with a two-fold objective: 1, to remove as much sulfur as possible from coal before it is burned, and 2, to study the effects on health of sulfur dioxide in the air. The program, costing \$4.5 million, has been financed entirely by the NCA and a group of electric

KEOGH

(HR-10)

GROUP ASSOCIATION INVESTMENT PROGRAMS

Association Executives, Chamber of Commerce Executives and self employed individuals interested in information pertaining to the recently liberalized Keogh Act can obtain complete information from the Administrator of several national business and professional associations' Keogh Act Programs.

A partial list of association programs, administered by Paul H. Robinson, Jr., Incorporated include:

The American Institute of Architects

American Pharmaceutical Association

and

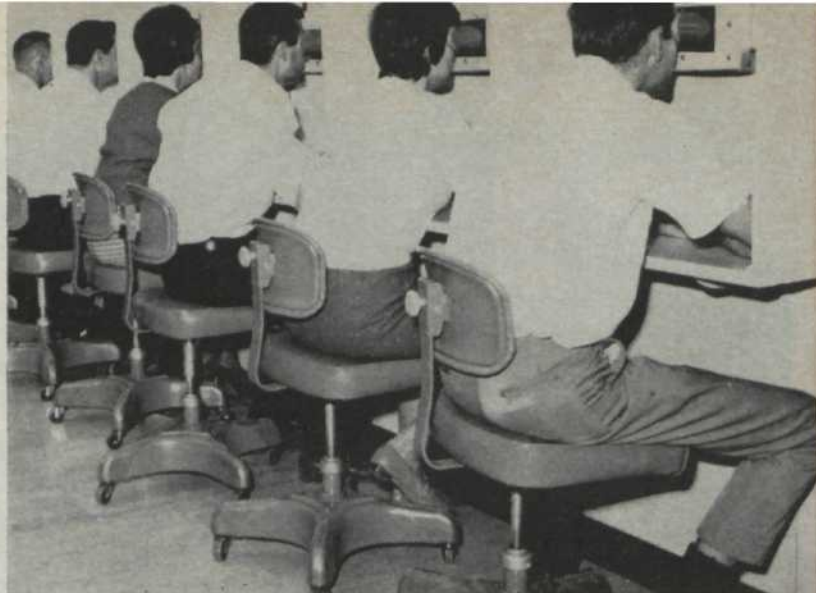
Associated Retail Bakers of America

**In addition to major
state medical and
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Association Executives, Chamber of Commerce Executives and self employed individuals wishing Plan information are requested to write before July 15 to:

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Chicago, Illinois 60604**



Volunteers at Battelle Memorial Institute expose eyes to smog to test irritation as part of its research to rid cities of this nuisance.

THE PHYSICAL ENVIRONMENT *continued*

utilities participating through the Electric Research Council.

The Aerospace Industries Association of America has found a different way of attacking the air pollution caused by its manufacturing processes. Instead of purifying the offending by-products, they have concentrated on developing substitute materials which don't cause pollution.

Of course, you don't just make "substitutions" on federally specified aerospace materials; you must get them approved by the Department of Defense. But because the Association had done its homework well, already eight of 11 new specifications for substitute materials have been approved.

Our national conservation movement is interested in many other aspects of the physical environment besides air and water pollution. For example, associations are engaged in many beautification programs.

Take "Project Green/Screen," sponsored by the Institute of Scrap Iron & Steel. Now in its second year, Green/Screen has proved that the unsightliness of many industrial plants can be turned into beauty by imagination and planning.

With the cooperation of the American Society of Landscape Architects and the American Association of Nurserymen, Inc., Green/Screen has helped turn scrap processing yards in 17 states from insulting eyesores to attractive features of the landscape. Three of the participating firms won state or local beautification awards, and one firm was so pleased with the reaction to

its efforts that it established a city-wide competition to encourage other businesses to make their own location more attractive.

Naturally, not every association can sponsor nationwide programs. But they can serve the cause of intelligent conservation in other ways that are equally important and effective. State manufacturers associations in Massachusetts, Indiana, Illinois and Iowa, to name only a few, have conducted outstanding educational programs aimed at convincing their members of the importance of pollution control, and detailing the best ways to comply with the new and more stringent conservation laws of today.

And the American Institute of Laundering has published a series of reports to its members on the methods and costs of cooperating with local and state anti-pollution regulations.

Of course, good conservation practice can be a way of thinking and leading as well as doing.

The National Forest Products Association has been an active force in encouraging the timber industry to adapt the farming approach to its work. By planting a crop of trees, tending its growth, harvesting it at maturity and then planting another crop, the industry not only makes an important contribution to natural beauty and conservation, but also insures itself a perpetual crop of timber.

Professional associations, too, have made outstanding contributions. Witness the impressive report of the Potomac Planning Task

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The Troublemakers.

Mort. He dislikes conventions ever since the last one when somebody forgot to assign him one of the hospitality suites...

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To learn more about these firms, write on your letterhead for our Directory, which shows their locations and the services each offers. No cost or obligation.

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3550 North Lake Shore Drive/Chicago Illinois 60657
Muriel F. Collie, C.A.E. — Managing Director



THE PHYSICAL ENVIRONMENT

continued

Force, assembled by the American Institute of Architects, which suggests a coordinated plan for restoring the Potomac River Basin as a national treasure and as an incentive for saving all the nation's rivers. The plan carries heavy emphasis on development and redevelopment along the river in the Washington metropolitan area, but likewise deals with water pollution, plant and animal ecology and landscaping, as part of "environmental compatibility."

On a smaller scale, the Illinois Society of Professional Engineers has put the entire resources of its 5,000 members behind an all-out effort to build public support for the state's proposed billion-dollar pollution control bond issue.

Even on the local level, association effort can make its mark. The King County Medical Society of Seattle was a leader in helping obtain passage of a broad antipollution bill by the Washington legislature, and the society is following through on its efforts by helping implement the bill in the Puget Sound area.

As you read about the various programs undertaken by the associations mentioned above, you may have noticed that many of them have been profitable for the industries involved, returning dollars-and-cents gains greater than their original costs.

Yet even if such activities are not profitable in the ordinary sense, they should be a part of every association's program. For in a very real sense, the fight against pollution is a fight for human survival.

I urge you to work with and through your own association to help solve pollution problems, and to look upon the cost of environmental control research and equipment as one of the normal expenses of doing business, like wages, raw materials and sales expense.

If our civilization is to continue to flourish, we must have clean air to breathe, clean water to drink and a clean land to live in.

We must provide and protect these things for ourselves, for our children and for our grandchildren. The physical environment of our nation is not only the reflection of our aspirations as a people, it is our human habitat. If we fail to sustain it, it is an inexorable law of nature that it will fail to sustain us.

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THE AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES

BY RICHARD A. ANDERSON, *ASAE President,
and Executive Director, Aluminum Extruders Council*

An association for association executives?

Yes.

It is the American Society of Association Executives and it exists for the same reasons that companies with common interests form industry associations and professional people form professional societies.

In fact, the association executive is a professional. His interests and activities correspond with those of other association executives all over the country, just as a lawyer or accountant or sales manager for United States Steel has much in common with a lawyer, accountant or sales manager for, say, a local chain of women's retail specialty shops.

Today ASAE represents 2,700 executives who manage the leading trade, professional and technical associations in the United States and Canada, associations with a total membership of 10 million.

These 2,700 associations range in size from county retail merchants organizations to nationwide associations of giant industrial corporations.

Their activities range from the expected—gathering and publishing statistics, promoting industries' sales, running conventions, to the un-

expected—training dropouts, doing scientific research and conducting a variety of community service programs.

ASAE attempts to help the association executive do a better, more effective, more professional job of implementing all this activity.

ASAE does this just as any association does, through publications including the monthly magazine, *Association Management*, through seminars and bulletins and through regional and national conventions. ASAE has compiled and published a wealth of information on association management problems. This includes operating cost ratios, basic operating policies, staff salaries, convention management and membership promotion techniques.

For the convenience of associations in search of a qualified executive to manage their activities, ASAE operates a free referral service which can help locate the right man for the job.

If you desire more information on American Society of Association Executives, and how it can serve you, write to me or to our Executive Vice President, James P. Low, at ASAE headquarters, 2011 Eye Street, N.W., Washington, D. C., 20006.

END



Photo courtesy of Philco-Ford Corporation

This is trucking ?

You bet it is. This computerized communications and data processing system is typical of the trucking industry's receptivity towards sophisticated new techniques and technology. Motor transport's goal: Spare no effort to get the goods delivered on schedule and unscathed, using every possible aid to greater efficiency.

That is trucking!

American Trucking Industry

American Trucking Associations, Inc.
Washington, D. C. 20036

THE WHEELS THAT GO EVERYWHERE



The West Points of capitalism

BY JOHN COSTELLO

American schools of business are turning out more young managers than ever before.

"If youth is sour on corporate careers, you can't tell it from our enrollment," comments Dean Alfred L. Seelye of the Michigan State University Graduate School of Business.

"Each year, we're taking in more undergraduate and graduate students. And at many schools of business, Ph.D. candidates have doubled in the last decade."

The revolution that's sweeping the business campus is the main topic of talk at gatherings of the American Association of Collegiate Schools of Business. AACSB is the national accrediting body for higher education in business.

"There is more innovation and experimenting in schools of business," University of Florida Dean Donald J. Hart, former AACSB president, says, "than anywhere else in the academic community."

• • •

That's a big switch.

Ten years ago, these same schools were criticized sharply for stodginess and lack of vision.

Two scholarly studies, one financed by the Ford Foundation, the other by the Carnegie Corporation, took them to task. The Ford Foundation report said:

"Some things do seem to be clear. One of them is the low level and narrow vocational character of much collegiate business education.

"Nearly as well documented is the failure of most business schools to develop in their students the qualities of mind and character, and the kinds of professional-type skills, for which business and society have the greatest need.

"For these and other reasons, there is . . . strong and widespread dissatisfaction with the quality of business education in American colleges and universities today."

The Carnegie Corporation study was equally critical.

"These studies shook up the business schools," Dean Hart says. "Since then, there has opened up a whole new approach to the concept of preparing people for business management.

"We no longer train people for their first job. That's the old approach. We're not teaching them how to sell shoes or handle bookkeeping problems.

"If you emphasize narrow techniques, your graduates have blinders on. They have tunnel vision.

"They tend to forget that facts change, and they try to fit the old answers to new problems.

"Graduates today, and this will be even more true tomorrow, are people who have been taught how to analyze and solve problems."

• • •

Now, the educators' conversations bristle with terms like "quantitative methodology," "operations research," "linear programming," "systems analysis," "Gaussian curves" and "Bayesian decision-making."

"Sounds like jargon," Dean Floyd Bond, University of Michigan graduate school of business, and AACSB president elect, says with a laugh.

"But it isn't.

"For example, quantitative methodology is the use of mathematical tools to solve business problems. It's typical of the kind of new subject matter you'll find in business curricula.

"Mathematics offers powerful tools of analysis that businessmen can use to solve their problems.

"In a nutshell, this is what's new about the education that businessmen of tomorrow are getting today:

"More emphasis on analytical courses—rather than descriptive.

"More stress on problem-solving—rather than mere accumulation of facts.

"More concern with the quantitative approach to business, meaning math, statistics and control.

"More attention to motivation, meaning human behavior and how to change it and the best corporate organization to get high productivity.

"More experimenting with new and better ways of teaching students.

"And preaching lifelong learning.

"We aren't trying to turn out an end product. The executive of tomorrow has to continue to grow—and learn—throughout his life. We try to get this across to him in our classrooms."

His most pressing problem will be coping with the rapid changes that will affect both society and his business.

"The old leisurely days are gone," says Dean Paul

Mr. Costello, author of this month's column, is an associate editor of NATION'S BUSINESS.

V. Grambsch, University of Minnesota school of business, and AACSB vice president.

"Changes which once took decades are now telescoped into years, or weeks.

"Graduates must be trained to handle them.

"Managers can't fly by the seat of their pants anymore. If they do, they'll crash-land."

It's not only what they teach that's new on business campuses. Both the faculty and the student body have been upgraded.

In 1960, for example, the typical faculty member taught three to four subjects a week, compared to two to three today.

Beginning salaries for assistant professors have gone from \$6,000 in 1960 to \$12,000 today—just for teaching. Most business schools accredited by AACSB have greatly increased the number of Ph.D.'s on the faculty.

• • •

"We're getting better students, too," comments Dean Kermit O. Hanson, University of Washington school of business.

"Recent studies show that more liberal arts undergraduates, more engineers, more sociologists, are going into the Master of Business Administration program.

"They show, also, that the young men choosing business as a career are those who are motivated by opportunity—who see business as the way to do things, the chance to achieve."

Why?

"I think partly because business itself has a better image—despite what you sometimes read," says Dean Arthur Weimer, former dean of Indiana University business school and AACSB executive vice president.

"People like Defense Secretary McNamara, who has a business background, have improved it.

"Also, these college kids aren't dumb.

"They know the kind of salaries MBA's are getting now. About \$900 a month—right out of school.

"And on the undergraduate level, recruiters are making their best offers to accountants—after engineers."

Despite past criticism, American collegiate schools of business have made a uniquely valuable contribution to this country's economic progress and world leadership.

College schools of business are much rarer abroad. The United States is the first country in the world to educate young men formally, and in great numbers, for careers in business.

The first separately organized school of business, Wharton School, was founded in 1881. By 1900, there were three.

Today, there are 160, plus some 400 college departments or divisions not organized as separate schools or colleges.

Most laymen are astonished to learn how many college students enroll there. They have more students than engineering, or the natural sciences and mathematics combined. One out of every five bachelor's degrees granted to male students in business.

• • •

Marvin Bower, director of McKinsey & Co., Inc., international management consulting firm, notes the important role business schools play in shaping the careers of tomorrow's business leaders.

He noted that Jean Jacques Servan-Schreiber, in his European best-seller, "The American Challenge," states that the success of American managers is based largely on their capacity to develop teamwork in the business—and on imagination and creativity.

"We have made America the world's leading industrial nation," Mr. Bower said, "by developing business leaders who have the will to manage, the capacity to develop teamwork, the drive and initiative to compete and the enterprise to take risks in order to make a profit."

"In training him in these capabilities, your schools of business are the West Points of capitalism.

"They are the training ground for tomorrow's business leaders. And you must teach them leadership. The success of the businessman of tomorrow will depend much more on inspiration than techniques—which become obsolete in a short time, anyway."

"And that sums up what we're trying to do," says Dean Ossian MacKenzie, Pennsylvania State University business school.

"We are providing the basic education for business on which our graduates may continue their self-development—a life-long process."

In short, turn out potential generals, not buck privates.

BUSINESS: A LOOK AHEAD

Citrus pills next?

(Agriculture)

British merger threat

(Foreign trade)

New role for admen

(Marketing)

AGRICULTURE

With stuff like livestock and poultry feed being pelletized, why not citrus?

Orange and grapefruit tablets or lozenges, developed almost by accident, should "go like a bundle," according to spokesman for government agricultural researchers.

Agriculture Department's fruit and vegetable laboratory in Winter Haven, Fla., trying to improve solubility of citrus powder (called crystals), experimented with pressing them into sheets with steel rollers, then grinding them up.

Experimenters found that sheets could be punched out in tablets, eight equalling one orange or half a grapefruit, for example.

They can be eaten like candy and are a handy form for camping trips and the like.

Research service expects idea to go into commercial production quickly, given consumer acceptance of new wrinkles in prepared foods and industry's speed in snapping up practical research applications.

CONSTRUCTION

Successful Florida real estate development known as Levittown for millionaires spurs interest elsewhere in country, may spark trend.

Haft-Gaines Co. of Fort Lauderdale developed project for custom-built homes in \$150,000 range (excluding lot), stressing quality construction

and landscaping rather than size of house and grounds.

One appeal is to harried businessmen who can't take valuable time off to work extensively with architect and contractor, according to one source directly involved. He says builder sells confidence in quality as much as anything else.

Spokesman says costs are lower than many individual homes elsewhere, but one-developer control avoids situation where "one guy spends \$400,000 and another \$50,000."

Builders from elsewhere have examined the development, called Bay Colony, for ideas to try in own market areas. One attraction is that buyers in this price range can afford cash or aren't deterred by current high interest rates, insulating builder from agonies of money market.

One sign that visiting builders are more than just curious: Several have been in to talk prospects with the Westinghouse Electric Corp. construction group, which was involved in Bay Colony project.

CREDIT & FINANCE

Suicide by automobile, but reported as accident, already giving auto makers headaches, is growing problem for insurance industry.

One industry source familiar with claims observes: "A man drives into an abutment at 100 miles an hour, cold sober—and it's called an accident."

Statistics are hard to come by. But suicides are rising in other areas, giving credence to greater suspicion of auto deaths.

Take group insurance for example. On individual policies, state laws void claims obligations for suicides within a year or two of policy issuance. But there is no such exclusion for group policies. Reasoning is that there's presumption that employed people aren't most likely candidates.

One insurance man reports a half dozen suicides within past two years for 20,000 insured—a surprisingly high figure—and all involved in group coverage.

FOREIGN TRADE

Stiffer competition is forecast for U. S. banks lending overseas.

Bank merger trend in Great Britain is one factor. Mergers completed or proposed mergers threaten creation of giants rivaling U. S. banks in size. Greater efficiency and competitive drive appears likely result.

Traditionally, British banks have been reluctant to open branch banks overseas, preferring to deal on "correspondent" basis with foreign banks. This has allowed American banks to maintain competitive edge.

One U. S. official watching overseas operations of American banks speculates that trend "will end up giving U. S. banks a great deal more competition over the long pull."

He notes that several European banks have been working out joint arrangements to boost overseas lending as well.

One London observer has pointed out that competitive position of American banks also is curbed by U. S. law restricting volume of loans to any one customer.

British banks operate under no such restriction.

MANUFACTURING

Trend toward mergers intensifies labor-relations headaches.

Major problem is with so-called conglomerates, giant corporations whose mergers represent diversifica-



U. S. production of 8.5 million autos seen.

tion into new lines of business, dealings with new unions.

Problems include differing wage and benefit provisions in contracts covering companies coming under new parent corporation, dealings with work force that's part union, part unorganized.

One executive familiar with mergers advises management to undertake educational campaigns to inform employees on reasons underlying contract differences, plus long-range plans to remove provisions of inherited contracts that prove unworkable after merger.

If nonunion, companies acquired by merger seem prime targets for union organizers. Some labor leaders try to deal with conglomerates by pattern bargaining, shooting for corporation-wide goals by concentrating on main plant.

Coordinated bargaining on multi-union basis also is being pushed, and there's talk of conglomerate unions to match conglomerate corporations.

White House has special task force at work studying problems of merger trend.

MARKETING

Important signs that marketing people have potential key role to play in trend toward business involvement in public problems:

Trend-conscious official of New York ad agency points to copywriters as untapped source of educational material that would stick with students. He reasons that media com-

mercials must distil considerable thought content in ad message, with maximum use of audial and visual aids, combined with motivation to act—in this case not only to buy but what to buy.

This source feels such talent could be put to work in advanced experiments in new teaching methods.

In somewhat parallel thinking, an Atlanta businessman calls for alliance between marketers and educators in dual effort to develop individual capabilities and end discord in American life.

At recent session of marketing executive, Gary S. Cutini, assistant vice president, marketing service, of Life Insurance Co. of Georgia, said:

"The marketer and the educator—harnessing twin forces of motivation and instruction—can unite national leadership far better than the government official or the welfare administrator.

"Marketing, the catalyst for economic development, brought western civilization to the highest standard of living known to man. Education is the catalyst for human development. Modern society must now emphasize human development to solve the social ills of mankind."

NATURAL RESOURCES

U. S. promotion of African fishing industry may become important step in war on world hunger.

Prospects are for spreading use of fish protein concentrate, now being pushed as additive to grain products.

Agency for International Development placed first order for so-called FPC with New Bedford, Mass., producer, more than two million pounds for \$900,000. Derived from whole fish, FPC is strong in amino acids or "building blocks" of protein.

Distribution will be through private agencies authorized as outlets for AID program. Research is under way at Agriculture Department's Beltsville, Md., laboratories to lower cost of FPC. And bids are being advertised for production feasibility studies and product promotion in Chile and Korea.

As to years ahead: "We're going to gaze into our crystal ball and look at Africa," says George Parman, war on hunger official. Underdeveloped countries there and elsewhere have at least embryonic fishing industries, but need help.

Big question is how to involve American fishing industry in this aid effort, says Mr. Parman. "That's certainly where the initiative must come from."

TRANSPORTATION

U. S. auto production as seen by major raw material supplier:

Yearly total of 8.5 million units, just under 1966 figure of 8.6 million, and more than a million units higher than last year. Sales ran at 30,000 daily in April; drop-off in March was attributed to riot-connected curfew, not expected to affect yearly total.

Total sales including imports forecast at 9.3 million, with Volkswagen leading import.

Truck production expected to reach or surpass 1966 record of 1.8 million if current demand continues.

For longer range, outlook is for more comfort, appearance and ease of operation. For example, air conditioning installed on only 11 per cent of cars in 1962, 38 per cent last year; preliminary estimates forecast 47 per cent this year.

For another, vinyl roofs went on 23 per cent of cars in 1967, with 32 per cent expected this year.

THERE'S NOTHING LIKE IT FOR POLITICIANS

The butcher, the baker, the candlestickmaker . . . and the salesman, office manager, storekeeper, accountant, broker, mortician, printer is apt to wear a second hat: lawmaker.

Every state legislature abounds with members who are not attorneys. More and more businessmen are finding these legislative bodies are a steppingstone into public life.

Historically, they have been no barrier to youth. They have been tough, realistic training grounds in the problem of governing.

"I was 23," remembers Congressman James C. Wright Jr., of Texas, when he was first elected to the Texas State House of Representatives, "fresh out of World War II, with an impatient and messianic zeal. I was going to right every economic wrong and eradicate every social evil.

"To my great chagrin, I found what I considered the most backward rube often had an idea equally as good as mine, and frequently more workable. I reluctantly saw that it takes a lot of people, working together, listening as well as talking, and learning as well as teaching."

The rolls of Congress are filled with veteran, distinguished Senators and Representatives who got their start in public life as young state legislators. Almost every one looks back on that service as invaluable.

There have been few comprehensive studies of the makeup and character of state legislatures. But a glance at current membership of the more than 7,000 who serve in the governing bodies of the 50 states shows that business and professional men are keeping and expanding their role.

In Pennsylvania's lower House, more than 100 members are in this category.

Legislative reapportionment has cut rural representation. Suburbs and cities have been electing the insurance broker, salesman, tax accountant, merchant as well as law-

yer. A study of the Indiana General Assembly found that 32 per cent of the legislators began their service before the age of 40. Sixty-one per cent of all lawyers were elected before this age.

This same study revealed that twice as many attorneys retired from legislative service before 40 and that twice as many non-lawyers continued as legislators after 60.

State legislatures today are beset with problems, mostly financial.

"The state legislatures are microcosms of Congress," says Sen. Joseph Montoya of New Mexico, elected to the New Mexico state house at 21. He says he found his experiences "absolutely invaluable." At 24, he was New Mexico's youngest state senator, later became lieutenant governor and then served in the U. S. House before moving to the Senate.

Rep. William Jennings Bryan Dorn was the youngest member of the South Carolina House of Representatives and, when elected to the state senate at 24, it took a special vote of the Senate to seat him. (The session started before he reached the minimum age of 25.)

Many young businessmen run for the state legislatures as their first elective office because they believe they should be involved in trying to solve problems that affect their state and its people.

It is here that many of the laws that will affect the climate of a state for years to come are debated, amended, defeated or passed.

"If you think things could be done a different way—and should be done—you have to try," says Dick McKissack, a member of the Texas House from Dallas.

McKissack entered the race for the legislature at the urging of friends and business associates, as many a young politico does.

Rep. Bob Wilson of California, chairman of the House Republican Campaign Committee, also ran for Congress the first time at the urging of fellow businessmen.

"I thought those guys must be

really nuts," he once mused. "And then I got to thinking that maybe they weren't. If you want to represent a view, somebody has to be willing to do it."

Mr. McKissack was fullback on the famed Southern Methodist University football teams, along with Doak Walker and Kyle Rote, in the late '40's.

He spent five years in the oil business in West Texas before returning to Dallas to go into insurance and printing.

Elected at 39, the former football star will be seeking his third term this summer.

With five children and a full-time job, Mr. McKissack makes some financial sacrifice when he goes to the state capitol in Austin every two years to serve 120 days or more. Almost every state legislator is in the same fix. Low pay is often blamed for heavy, voluntary retirements.

But the legislature is the key to curing state problems. And it often is only the beginning of successful political careers.

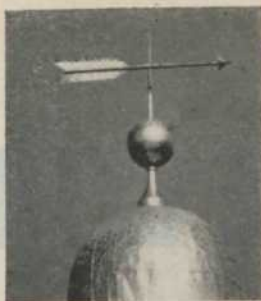
Both of Mississippi's United States Senators, James O. Eastland and John Stennis, were freshman members of their state house in 1928.

Oregon's U. S. Senator Mark O. Hatfield was a state representative at 29, served as a state senator and secretary of state before becoming governor, then U. S. Senator.

Sen. Hatfield believes service in state legislatures gives government officials at any level invaluable knowledge of the problems that beset a state.

Sen. Birch Bayh of Indiana, who served eight years in the Indiana House after election at 26, including two years as speaker, agrees. And he believes "young people should consider making themselves available as candidates."

Rep. Jack Brooks of Texas remembers he used to counter arguments about his youth when first elected at 23 with this campaign promise: "I'll grow older each day and you can be sure of that." **END**



WHAT THE VOTERS WANT NOW

Congressmen at home:



Rep. Bob Mathias Rep. Roman Pucinski

WHAT THEY SAY AND HEAR

What are Congressmen saying to their constituents when they go back home?

What are constituents saying to Congressmen?

As riots flare in the cities, costs climb, political campaigns heat up, what is the mood of the people?

Are they openly upset? Concerned? Hopeful everything will work out in the end?

The problems of the cities differ in some respect from the problems of the nation's rural areas. But the major issues that confront the nation as spring turns into summer affect all.

To find out what Congressmen are saying to the people on a trip back home—and what people are saying to Congressmen—NATION'S BUSINESS editors Wilbur Martin and Vernon Louviere followed Rep. Robert B. (Bob) Mathias, a freshman Republican from a predominantly agricultural California area, and Rep. Roman C. Pucinski, a Democrat from Chicago. Their stories are on the following pages.



**WHAT THE VOTERS
WANT NOW**

IN THE CITIES

PHOTO: TED ROZUMALSKI—BLACK STAR



Congressman Pucinski talks with college student Tom Kereluk during a campaign swing through business district in Northwest Chicago. Young Kereluk says he's worried about the draft and wants to finish schooling.

Each week in Chicago four-and-a-half blocks of residential area change hands with whites moving out and Negroes moving in.

Some of this is caused by "block-busting." Some by the steady pressures for living space brought on by the inexorable influx of Negroes into Chicago from the South.

Many of these displaced white people are moving into the suburbs. But some—those who cling to city living—manage to find housing in other parts of Chicago.

Over the past few years many of these white displaced families have settled in a pleasant, middle-class section of Northwest Chicago near the suburban community of Norridge.

This area encompasses the Eleventh Congressional District of Democratic Rep. Roman C. Pucinski who is now campaigning for a sixth term in office.

Ethnically, the Eleventh Congressional District is a microcosmic melting pot with almost equal numbers of Poles, Jews, Irish, Germans and Scandinavians. It has no Negroes.

On April 10, for the first time in his 10 years in Congress, Rep. Pucinski voted against civil rights legislation. He voted against the open housing bill.

That vote was taken right after the riots, looting and arson struck Chicago and scores of cities across the country.

Before this latest outbreak of racial violence Mr. Pucinski's constituents almost unanimously regarded the war in Viet Nam as the major unsettling issue in this country. Today, they are primarily worried about the race problem.

Congressman Pucinski, a reporter

for the Chicago Sun-Times for 20 years, has a good feel for what his voters are thinking. He talks to them constantly. He spends every weekend in Chicago. His office on Milwaukee avenue is always open.

A NATION'S BUSINESS editor spent some time with the Congressman recently in Chicago to try to capture the mood of his voters. It was apparent many of them are disturbed. But riots and war are not the only things. They are also unhappy with inflation, high taxes, demonstrations on college campuses and the jet noise from nearby O'Hare International airport.

Victim of riots

Robert J. Klein called at the Congressman's office on a Saturday morning. He knew what the riots were all about. His men's clothing store on West Madison Street, in the heart of the ghetto, was picked clean of merchandise and then set to flame. He lost everything.

"I don't feel I am a victim of the area but a victim of the times," Mr. Klein said in an interview later. He was not particularly bitter. "I don't think I can go back now. I just don't feel that the city government or the federal government gives a damn if I go back."

In the wake of the paralyzing blizzard in Chicago in 1967 there was some looting on the West Side. It was a signal that something was wrong. Mr. Klein and a group of neighborhood merchants called a meeting.

"I said perhaps we were at fault, that we were not taking enough interest in the area," he recalled. "If we were really interested in staying there we would have to devote more of our time to the neighborhood.

We'd have to get interested in its politics."

The merchants organized baseball and basketball teams for the ghetto Negroes. A start was being made.

"I know now it was not enough," Mr. Klein says today. "Because we were white businessmen we were the first to be attacked."

He believes the assault in his area might have been blunted had the city acted differently.

Marshall High School, a block from his store was ordered to remain open the day after Dr. King's death.

After a series of incidents in the school, classes were dismissed at 10 o'clock on that Friday morning and some 7,000 youngsters poured out into the neighborhood.

The trouble began with these youngsters. First, rocks hurled through display windows. Then the looting.

"Some of these kids came in and helped me board up the windows," Mr. Klein explained. "They were not all bad. But the situation soon got out of hand. The police were not equipped to handle what happened and they soon lost control of the mob."

On Milwaukee avenue, strolling through the business district, Congressman Pucinski talked with other voters.

They did not share Mr. Klein's experience but they share some of his feelings.

Mrs. Grant Dace Jr., a housewife, was somewhat typical. She said:

"The racial problem is our most difficult problem. It causes us the most unrest. I think everybody—at least most of the people I know—

IN THE CITIES

continued

are trying to be fair but we feel we are being taken advantage of."

Draft card burners

Mrs. Dace, who is married to a photolithographer, can't understand why protesters have so much freedom in this country. Especially draft card burners.

Inflation and high taxes bother her, too. "A salary hardly goes anywhere any more," she complained. "I know there's so much waste in government. Everybody knows this. But what can you do."

In a Woolworth variety store Mr. Pucinski introduced himself to the manager, James E. Otto. Mr. Otto is a hard-liner, both on the war and the race issue.

"As far as I am concerned when you have riots and looting you should meet force with force. People must abide by the law. The only thing some of these people understand is force. I agree with Daley (Chicago Mayor Richard Daley who said police should kill arsonists and maim looters). He was completely justified. We can't tolerate this kind of lawlessness."

Mr. Otto on the war: "I strongly feel we shouldn't back down and let aggression take over in Asia. On the other hand, I regret we got involved there in the first place."

Although he prefers not to pay higher federal taxes, he believes they are needed to curb inflation. At the same time, though, he'd like to see the government tighten up on spending before calling for more tax revenues.

Miss Annette Risoff, a young nursing instructor at Chicago City College, believes the wave of demonstrations led by youthful Americans—in behalf of civil rights, in opposition to the military draft and in defiance of university authority—is hurting the country deeply.

"Free speech is good but it's gone to extremes where these people are now openly defying the country," she asserted. "Maybe it's the state of the world today and these kids feel they better make the most of life while they can. But I'm more inclined to believe it's a reflection of the radical thinking of their parents."

"Yes," she said, "this racial unrest is disturbing. You certainly become aware of these things as they come closer to home. I have friends with young children in school and this busing of outside students into

our area concerns them. But I have to say equal rights have not been granted the Negro. I think when they have more civil rights the situation will improve."

Henry Gorr, manager of Rothschild's men's store, has been in the area 27 years. He is convinced the recent riots could have been averted and he is a strong advocate of a massive education and training program for Negroes to ward off trouble in the future.

"But I have to say, if you're too easy on these people they'll walk all over you. Mayor Daley was three or four days too late with his tough talk. This could have been eliminated. A lot of it was sheer temptation and the rioters—

mostly teenagers—took advantage of the situation."

As far as Mr. Gorr is concerned the time is now to stop marches and demonstrations of any kind in this country.

"I don't think these marches and demonstrations are any good any more," he emphasizes. "They just don't prove a thing and they've got to be stopped."

In Mr. Gorr's view inflation is getting out of hand. As a businessman, he says, he has seen the upward spiral of wages and goods continue unabated with no end in sight.

"The war is part of the blame but the government is at fault, too," he points out. "We're spread out too



Men's clothier Henry Gorr gives Congressman his views on racial disorders, taxes, war in Viet Nam.



PHOTO: TED ROZUMALSKI-BLACK STAR

Problems of inner cities are described to medical students and some staff personnel at the Chicago Medical Center YMCA by Rep. Pucinski.

Woolworth's manager James E. Otto believes police should meet force with force in quelling riots.



far. Some of this government spending has got to be cut out. Take these poverty programs. Most of them are just waste. I think somebody ought to grab the bulls by the horns and shake them up good."

In another part of his district Rep. Pucinski dropped in on an old friend, Mel Cieslik, owner of Mel's Mens Shop, Inc., to pick up some new shirts.

Mr. Cieslik was vehement on the subject of rioting and looting. He has no hesitancy about cracking down hard on people who break the law during racial disturbances. As he put it:

"We need stronger enforcement of the law. They have handcuffed

our police. The Supreme Court is all wrong. Yes, these people have to be educated but the first thing is to teach them that the laws have to be obeyed.

"I can't understand it. They protect doctors, lawyers and even clergymen, but who protects the businessman? Some of my friends were wiped out in this last riot. They can't even buy insurance to cover their losses."

Outside, Mr. Pucinski talked with Tom Kereluk, a 19-year-old student at De Paul University. At his age, the military draft loomed larger than the threat of racial trouble.

He told the Congressman, "I'm really worried about the draft. I think I should be given an opportunity to finish school. Sure, I believe in serving my country. But not in Viet Nam."

Politically, young Kereluk said, he leans toward Sen. Robert F. Kennedy of New York for President—"He's a little closer to our generation."

The policeman's view

Police Officer Gerald Mead, assigned to the Milwaukee avenue business district, believes the police have done a good job in quelling riots but they need help.

"I say bring in the federal troops at the first sign of trouble," he asserted.

Mrs. Darlene Starr, a school teacher, says she believes the trend is toward more—not less—segregated housing in Chicago as white resistance stiffens in the wake of race trouble. According to Mrs. Starr, the quality of education in Chicago is being sacrificed as more and more Negro teachers are brought in from the south. They do not have the proper qualifications and training, she says, but they are accepted anyway.

"I am convinced that if we remain weak in our approach to the racial trouble it will get worse," Mrs. Starr noted. "I have seen it in my own school. A white student will be suspended for breaking the rules but a Negro student is forgiven. The gap between whites and Negroes is widening."

Mr. Klein, whose store was burned out on West Madison St., told NATION'S BUSINESS the lines of communication between ghetto Negroes and police, firemen and the political community practically don't exist.

"On the entire West Side," he reported, "there are only two black aldermen and one of these was put in by the machine. The whole area has been gerrymandered to the point these people don't have a voice."

"I went back into the area after the riots and some people told me they even saw the police looting. One policeman, I am told, went up to a store they were about to loot and told one of the looters, 'The first color TV is mine.' Some policemen who were seen walking out with merchandise said they were taking it downtown to put in a warehouse for safekeeping. The Negroes just didn't believe it."

Mr. Klein, who spent 20 years on West Madison and opened his own business four years ago, at first thought he might return to the area and try to re-establish his business. He said he felt if he took on a Negro partner this might afford him a form of insurance against future trouble.

"But I've changed my mind," he said. "I'm not going back. I don't think it will work. We didn't expect this trouble after escaping it last year. We were wrong. My fire insurance was dropped last January and I had to take out substandard insurance."

Cool to open housing

Mr. Pucinski was on solid ground with his voters when he opposed the open occupancy section of the civil rights bill. There is grave concern in his district not only among those who were displaced by Negroes in other sections of the city but among those residents who have lived there all their lives.

"My people feel," he says, "that once open housing becomes law the next step will be government subsidies to build integrated housing in their neighborhoods."

Actually, Mr. Pucinski voted for the civil rights bill when it first reached the floor of the House. In the Senate, however, the open occupancy amendment was tacked on by Senate Republican Leader Everett Dirksen of Illinois and this Congressman Pucinski opposed when the bill returned to the House.

He said at the time he felt open occupancy would bring an unprecedented degree of federal involvement and control into every local community of America.

"It will expose every homeowner

Babies and political campaigns go together. Here, young mothers tell Mr. Pucinski of concern over war and taxes.



PHOTO: TED ROZUMALSKI—BLACK STAR

IN THE CITIES *continued*

in this country to the prospect of unprecedented harassment by both the federal government and those who seek to continue the turmoil in this country," he told the House.

Tax hike unpopular

In Mr. Pucinski's district there is an understandable resistance to the proposal to increase federal taxes. Residents of the area have just been subjected to substantial hikes in both their real estate and sales taxes.

The Congressman's mail reflects the same views of those with whom he talks in his district.

"We are, as most of our neighbors, against open housing and it is a crime that a homeowner cannot do with his own property that which he desires," a young housewife writes. "Pretty soon why not

get out the chariots and whips and go down the streets of Rome and say give us all you have."

Says another housewife, "When 10 or 15 percent of the people of this nation can close down most of our nation's schools, businesses, places of entertainment, because the 85 or 90 percent are in fear of their lives and homes, something better be done. You've tried billions of dollars in aid, new homes, education, giving them our homes, our churches, our neighborhoods, yes, and our tax money. Are you going to give them our very lives?"

The reaction to a tax increase, however, ranks high among the issues they write about.

"A point has now been reached which is insufferable; especially when we realize that much of this money is being deliberately

wasted," says one taxpayer. "Less government and more responsibility by our government officials could easily reduce the burden of the taxpayer by over 50 percent."

In a recent interview with *The Chicago Daily News* Mr. Pucinski said, "If representative government has any meaning a Congressman has to respond to his constituents. He has a responsibility to lead as well, but where do you draw the line?"

This didn't sit well with one of Mr. Pucinski's constituents, a housewife, who fired back this answer:

"Submission to a definite wrong because it might be easier to agree with your constituents means nothing to me except a lack of personal integrity and lack of any desire or ability to lead." **END**

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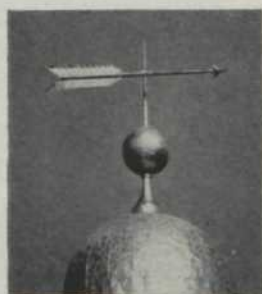
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Freedom: Ignore it and maybe it'll go away.



**WHAT THE VOTERS
WANT NOW**

OUTSIDE THE CITIES



To businessmen, Rep. Robert B. (Bob) Mathias says candidly: "The United States has never been in worse fiscal shape."

To high school students, he urges: "You have to have a goal. Get involved. Don't be afraid to try something new."

To a constituent worried about hard-core unemployed, he agrees: It's a tough problem, and it will take government and business cooperation to solve it.

The best barometer of the mood of the nation for any Congressman is his Congressional district—what

the people say to him on his trips back home from Washington and what they write.

"I think people express their concern about the things that cause concern," says Mathias, a freshman Republican from California's Eighteenth Congressional District, a lush agricultural region.

"I get 500 letters a week. And I get back to my district at least once a month.

"The war in Viet Nam causes concern. Inflation causes concern. Riots are a big concern today."

When a Congressman goes back

home to his district, he has a special interest in reporting to his constituents on issues that are of vital importance to them, local or national. And to explain actions that have been taken or prospects for decisions.

"The fiscal shape of the United States has never been worse," Mathias tells a meeting of the Greater Tulare Chamber of Commerce.

"The economy is really in serious trouble and something has to be done. The President pleads to the public for austerity, but I haven't seen any federal belt-tightening.



Rep. Robert B. (Bob) Mathias likes to speak at high school student assemblies and remind young people that they have a heritage to be proud of, a need to get involved in today's affairs and goals to set for themselves.

Just talk about it. There's got to be concrete proposals from him of where government spending will be cut.

"There's a crisis in law and order. It has many facets. One of these is Supreme Court decisions that just make it easier for criminals. I sponsored a bill to legalize supervised wire-tapping because that's the only way to get at organized crime."

But local problems, shaped by geography and resources, are often far closer to home and paramount to those who come to talk with their Congressman.

To Jim Burke, a Ford dealer in Bakersfield and president of the district's largest city Chamber of Commerce, there is a need to attract more industry, diversifying to avoid too much dependence on a single economic factor.

"We've got to let people know what's here, what we can offer," he says. "This is important."

The Eighteenth California Congressional district sprawls across 14,392 square miles of the fabulously productive San Joaquin Valley, blistering hot in the summer, but turned into an agricultural Gar-

den of Eden by irrigation. Here grapes, citrus, melons, cantaloupes, cotton, potatoes, strawberries and a dozen other crops flourish. Eighty per cent of the three counties' economy is tied to agriculture, which produced a whopping \$808,895,000 worth of crops in latest available statistics in 1966. Most of the other wealth stems from oil, though the big boom days in drilling have long faded.

Agriculture to California is a \$4 billion industry, with production in vegetables, nuts and fruits running close to 40 million tons a year. Tu-

lare and Kern counties rank second and third in production.

Hold strong views

The Eighteenth District's 600,000 people are tied to the land by heritage, as well as economically, and the perennial battle to produce from the land gives them a strongly independent view.

It's an area embroiled in a highly publicized farm labor union organizing drive, centered at Delano, where Cesar Chavez for nearly four years has concentrated efforts of his National Farm Workers Association.

"I wish someone would tell the truth about Delano," says a housewife bitterly, at a reception for Mr. Mathias. "We've been pictured as a bunch of monsters using slave labor. It's not fair."

The farm labor issue is a vital one for the Eighteenth District and a perpetual worry to growers.

"In all the talk about this situation," says Arnold Kirschenmann, a farmer in the Edison-Arvin area, at a small meeting, "you've got to remember one thing: A grower has got to be protected against strikes in the middle of harvest. He can be wiped out if there's any stoppage."

Kern County is the second largest potato-growing area in the country. Its farmers worry because potato consumption is down.

"I'm sponsoring a potato promotion bill that will let our growers compete against rice," Mr. Mathias tells them. "It will be like the cotton promotion bill and the growers will tax themselves."

On any trip to the district, Rep. Mathias, like most Congressmen, divides his time between "office hours," where constituents come to talk with him, meetings and appearances, some two dozen conferences with individuals and three or four appearances on any typical day.

There's a banker, worried about pending legislation he feels will give favoritism to other financial institutions.

"Let's treat everybody the same way," he urges. "Everybody should have an equal break. That's all anybody wants."

An alfalfa farmer wants information about export-imports and shipping rates.

"It's a tough thing," says Mr. Mathias. "We don't want our exporters hurt, but we can't have a

one-way street and close out imports."

A constituent worries about the problems of the cities:

"You can't say it (riots) won't ever happen here in Bakersfield. How can you talk to kids? Where do you find them to talk to them?"

"We've got to have some meaningful programs for jobs for the minorities. People want to work. Make-work by the government isn't the answer. There's got to be more business help. Sure, they're just going to have to recognize an employer needs help in training people. A tax write-off might be the answer."

Mathias agrees, but candidly says, "We've got to recognize the fiscal crisis we're in. We just don't have the money to finance everything."

An insurance man wonders what the government is going to do about reinsuring insurance in riot prone areas.

"It hasn't happened here, but it could. And you can't say riots are a general business risk."

What constituents say

"People say when you're back in the district, why aren't you in Washington legislating," he likes to explain to groups at which he appears. "When you stay there, they complain because you never come home. It's nice when Congress takes a recess, and you can be back here without worrying."

He likes to run down some of the problems pending in Congress, then adds quickly:

"This is an interesting job. I like it."

At 37, the six foot, four inch, 215 pound Mathias is more than halfway through his first term and running hard for a second. He is as well known outside the district as inside as a former two-time Olympic decathlon champion, Stanford football hero, star of a motion picture about his own life (plus three other movies) and a regular on an old Keenan Wynn television series.

Because of his background, Mathias had a ready-built identity when he took after Harlan Hagen, a veteran of 14 years in Congress who is seeking this year to regain the Eighteenth District seat.

But he tries hard to stand on his post-athletic accomplishments: the successful operator of a boy's camp; a director of a Tulare Savings and



A Congressman speaks and his wife, Melba Mathias, often is at his side when he's home, touring his district.

Loan Association, a consultant to Sears Roebuck on its sports advisory board.

No stem-winding orator, he talks sincerely about his beliefs, says everybody is entitled to his own view. He is a low-key operator in the mold of a champion athlete or a surgeon (he's the son of a doctor, the brother of another) who has disciplined himself against any wasted motion.

"I voted for the civil rights bill last year," he tells a teacher's meeting at Arvin. "But I voted against it this year for a simple reason. The House sent the Senate a five page bill. The Senate debated 40 days and sent back to the House a bill that ran 50 pages and included legislation on Indian affairs, some gun law and open housing."

"The House was given just one hour to debate this major legislation. I don't think you can legislate emotionally. You need time to debate an issue as strong as open housing, hear all views."

He voted against removing the gold cover backing on U.S. currency.

"I don't think that was a very good idea," he tells a businessman's group.

Viet Nam war

Mathias tells the people he meets and talks with that the two weeks

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Quiet coffee breaks are a time for teachers at the Arvin High School to talk with Rep. Mathias about issues... riots, inflation, what is the mood of Congress on appropriations for schools that are below college level.

PHOTOS: GENE DANIELS—BLACK STAR



After formal talk at banquet in Taft, Calif., honoring public school award-winning students, it is time to relax and chat with home folks about things that are close to them, while national worries are set aside.

before Easter saw sudden, dramatic and major policy change for the country.

"We all need to get in back of the President at this time and hope the negotiations for peace in Viet Nam will be successful.

"But I hope these won't be shooting negotiations like those in Korea, where two thirds of our casualties came in the time we were talking peace.

"One thing I do know, you need a stronger government in Saigon. There's too much corruption there."

At an assembly at Arvin High school, Mathias presents a flag that has flown over the Capitol.

He tells students they should be proud of this flag.

"I think my greatest thrill was when they raised the Stars and Stripes in London in 1948, and in Helsinki in 1952, after I won the decathlon, and I knew I had done something for my country."

He tells them he didn't even know what the decathlon was when his Tulare high school coach suggested he enter the event in a track meet in Los Angeles.

"So don't be afraid to try something new when your teacher or your parents suggest it. There's no telling where it will lead."

Mathias, because of his sports background, has an easy rapport with students.

He tells them it is a saddening thing to see young people looting and rioting, "just a block from the United States Capitol."

To honor students being feted at a public school recognition banquet in Taft, he urges them to "get involved. Be active in something.

"You must have a goal."

A strong believer in priorities in government spending, Mathias tells teachers he believes a top priority should go to education. But, he says, he is for bloc grants to states, letting them apportion the money.

"In my opinion, Washington control of education will lead to uniform mediocrity instead of education excellence."

To a question on open housing, he says the man who owns a house should have a right, too, to sell his property to whom he wishes.

"You can't legislate feelings. You can't legislate the heart," he says. "That's going to take time."

Because the Eighteenth is predominantly agricultural, Mathias emphasizes legislation in this area

PHOTO: GENE DANIELS—BLACK STAR



Be proud of your flag, Rep. Robert B. (Bob) Mathias tells students, after he took part in the ceremony of presenting banner that has flown over the U. S. Capitol in Washington.

and the role of the House Agriculture Committee of which he is a member.

"But for you ladies," he tells audiences, "we passed a meat inspection bill, and we've got a poultry inspection bill I think will pass. California already has much stronger standards."

Another pet issue for Mathias is "self-help housing," extending the ceiling under which Farmers Home Administration loans are available at low interest.

"It has worked in Tulare and it's coming to Kern county," he vows.

"Giving people money and houses won't give them the good feeling to get out of poverty. But if you loan money, and expect it to be paid back, that gives self-respect."

Personal problems uppermost

Most of those who visit their Congressman have a personal problem involving government.

"Will the Forest Service trade land?"

"Will you forward these papers to the counsel at Hong Kong? We want to bring my brother-in-law here."

"I need my boy to work the farm. Can he get a deferment?"

There's a natural reticence to talk much about big national problems.

"You know they're there," says a man a bit early for an appointment. "You hope somebody's working on them. You know how you feel. Why go around talking about it? That won't solve anything."

The people in the three counties of the Eighteenth—Kern, Tulare, Kings—are a microcosm of a nation that moves with opportunity, many tracing their early days back to Oklahoma and Texas and other states that saw a great migratory wave to California in the depression days of the Thirties.

They have settled in Bakersfield, the biggest city, Tulare, Visalia, Taft, Porterville, Button Willow, Lemon Grove, Lemoore and dozens of other small towns.

"I figure we're like most folks," says one. "Not any different. We worry about the war—everybody knows some boy who's over there—taxes and the price of groceries going up. The riots are just hard to understand. People talk. I guess most people are upset about something. But I've been upset before. Things work out. You sure have to believe they'll work out." **END**



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WHAT THE VOTERS WANT NOW

HOW PLATFORM-MAKERS SEE THE ISSUES

Nixon vs. Humphrey?
Rockefeller vs. Kennedy?
Johnson vs. Reagan?

Take your pick. Just who the Presidential candidates may be is still way up in the air, but there's one thing certain as convention time approaches:

All candidates, Democratic or Republican, will run on platforms which include among their strongest planks a promise that laws must be enforced and rioting curbed.

This is the concerted opinion of political platform carpenters who in every state are now hammering together the planks they want their candidates to campaign on.

State Democratic and Republican leaders are looking at prospective planks calling for escalation, or de-escalation of Viet Nam fighting; how to save the dollar from devaluation; what sort of brakes to throw on Washington spending, or how to make Washington spending better, if not less; how the Negro can get a better break.

Republican state chairmen or platform-makers from Iowa, Michigan, Arkansas, Rhode Island and South Carolina, to name five states, favor some form of revenue sharing.

Most of them favor a straight transfer of a percentage of Federal income tax funds to states for use by the states as they see fit.

Rhode Island Republicans will go to their convention on Miami Beach Aug. 8 urging a plank which requires lenders to give full finance charges to people seeking loans. John Rooney, Wyoming Democratic chairman, favors what he calls,

"Support for truth in lending legislation."

The Democrats will convene in Chicago Aug. 26, but at this time there seems to be little support for a guaranteed income plank, although such support may be engineered by the liberal wing of the party.

Other items of which platforms can be made are: Standardization of welfare payments, the right to carry arms, whether to trade with nations which trade with North Viet Nam and the right of all citizens to buy any house they can pay for.

Law and order plank

But a big plank is going to involve what to do about the growing number of Americans who openly break laws.

The first three issues which should be covered in the Republican platform are crime, riots and lawlessness, says Kansas Chairman George E. Nettles, Jr., in a telegraphic poll carried out by NATION'S BUSINESS.

High in the Michigan State Republican platform are nine recommendations aimed at curbing threats of riots, mob rule, crime and violence.

Some of the recommendations call for:

"A thorough revision of the so-called 'riot act' to provide a clear, workable definition of unlawful assembly and to make illegal the failure to disperse upon command."

"The establishment of a State Police Reserve Force for use in times of extreme emergency."

"Higher pay, more benefits and

better working conditions for law enforcement personnel."

Iowa Republicans have adopted resolutions with these major clauses:

"The right of dissent in a free society and the exercise of individual freedom should be safeguarded by our laws but should only be carried out within the framework of the law."

"We reaffirm the principle that America is a nation of laws, not of men."

"We condemn crime and violence. We believe there is need to stress the basic concept that an orderly society can exist only so long as there is respect for law and order."

As expected, strong backing for law enforcement during rioting comes from the South.

Arthur C. Watson, Louisiana Democratic chairman, telegraphed that crime in the streets and rioting should be top planks in his party's Presidential platform.

"Race relations certainly should be improved," Mr. Watson said, "however, I do not think the government should give in to a few Negroes who riot in the streets and burn buildings. Personally, I am in favor of doing what Mayor Richard Daley (of Chicago) said, i.e., shoot arsonists to kill and shoot looters to maim. That is the only solution to rioting in my opinion."

"I note in North Carolina the prison riot was broken up in 10 minutes after the guards shot a few prisoners."

"Personally I see no reason why unfortunate people should have their buildings burned and possibly suffer loss of their own lives because the politicians are afraid of the Negro vote."

Odell Pollard, Arkansas Republican chairman, says a top G.O.P. platform plank should call for stricter laws dealing with interstate movement of persons advocating riots and destruction.

Chairman Howard E. Russell, Jr., says Rhode Island Republicans feel the best answer to race relations problems is better jobs and more of them.

Republican state chairmen in New Mexico, Pennsylvania and Texas and Democratic leaders in Delaware say they expect planks on labor legislation, inflation, taxes, race relations, hardcore employment, spending controls, consumer laws, education, crime pollution and Viet Nam. Additionally, John C. Jordan, Pennsylvania state chair-

man, expects a plank on urban problems.

Of the political leaders running for the Presidency, three are from New York. This concentration of personalities, and the presence of 43 electoral votes, makes New York one of the most influential states in the country.

New York's view

John J. Burns, New York Democratic chairman, says a set of strong, decisive and liberal platform recommendations will come out of his group. "Among domestic problems which must be met," he said, "are employment opportunities, education, aid for our cities and metropolitan areas, civil rights, crime, transportation, pollution and in general a reassessment of our priorities and expenditures."

Gov. Ronald Reagan is in control of the California Republican delegation. What the Governor thinks is gospel.

On Viet Nam, the Governor says: "Those in his (President Johnson's) party who would replace him offer only that they would not have waited this long to give the enemy victory." On gold and monetary affairs: "Our creditors hold a claim to our gold and our coins are no longer silver. In truth we no longer control the currency of this nation. We are faced with a fiscal crisis of greater proportions than we have known since the dark Friday of October, 1929."

James W. Halley, chairman of the California Central Committee, largely echoes the Governor. He also says "I believe that the problem confronting the cities is the main one in the nation today and one in which limited options remain."

On the Viet Nam war he says "If this form of gradualism and flexible response had been practiced during World War II we might not yet have reached Iwo Jima."

On foreign aid, he wants a new approach, possibly a problem-by-problem attack—"for example, a dam project in India can be useful; Cadillacs for Caliphs are not. The old days of foreign aid for its own sake are gone and we may as well admit it and save a great deal of money."

Republican Governors meet in Tulsa June 14 to concert their desires before platform carpenters go to work. The Democratic platform will be written under supervision of Candidate Humphrey and Presi-

dent Johnson and it will go along with Johnson policies. Otherwise, it would be repudiation.

An example of this follow-the-leader comes from William G. Kerr, Oklahoma Democratic chairman who says, "Oklahoma Democrats for the most part support the Johnson Administration in practically all areas. There are differences of opinion individually but over-all the President's program is well thought of."

Oklahoma wants victory

The Republicans in Oklahoma couldn't agree less. Resolutions passed recently at a state convention show their kind of platform thinking.

They want a military victory in Viet Nam and "full reliance on our military leaders to make military decisions."

They are against a tax increase, oppose "trading with nations transporting or furnishing supplies, equipment or military assistance to North Viet Nam."

No money should be given to the United Nations until all UN members "demonstrate financial responsibility by paying all dues and assessments owed."

Oklahoma Republicans will insist on the constitutional right of citizens to keep and bear arms. They also are for "encouragement of all law enforcement agencies in their efforts to enforce the law of the land, and demand for recognition of the rights of the innocent in the peace and security of their person and property."

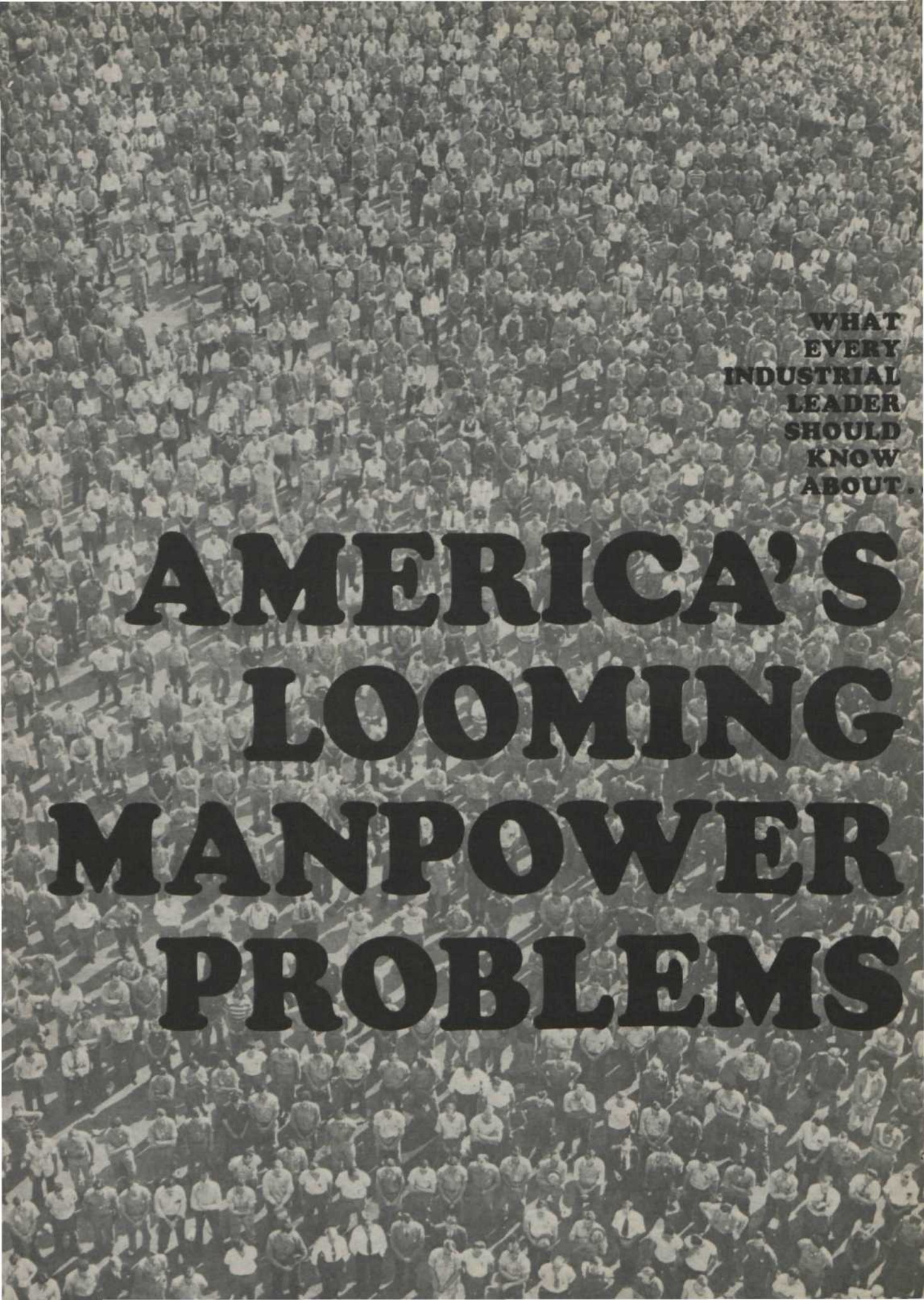
In a pertinent section of resolutions they say, "State and federal governments should aggressively and effectively enforce the law by prosecuting those who advocate, incite, or participate in riots, looting, or other acts of civil disobedience."

"This constitutes a paramount consideration in the minds of Americans today."

Oklahomans are at no time more positive than when demanding an amendment to the U. S. Constitution requiring the federal government to live within its income except in extreme emergencies.

Republicans in South Carolina hold strong feelings on a variety of subjects.

They hold that the nation's economic wealth can best be increased through the private enterprise system. They support a change in the U. S. Constitution which would

An aerial, black and white photograph of a massive crowd of people, likely at a large-scale event or rally. The people are densely packed, filling the entire frame from the foreground to the background. The perspective is from directly above, looking down on the sea of heads and shoulders. The crowd appears to be organized into some degree of order, with some visible aisles or groupings, though the overall effect is one of overwhelming numbers.

**WHAT
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SHOULD
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- Trends in employment demand by major industries
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There may be as much excitement inside convention halls as there is outside this election year, especially in Chicago, scene of the Democratic convention. Black Power leaders threaten disruptions.

provide a mode of amendment which can be originated by States without the necessity of affirmative action by the federal Congress.

Judicial experience should be required of all U. S. Supreme Court Justices, South Carolinians say. And they are for more state rights, more decisive action in Viet Nam, impartial and unfailing enforcement of laws and imposition of fiscal responsibility on Washington.

Telegrams from state chairmen referred time and again to the need for "fiscal responsibility."

Oklahoma Republicans are against any increase in taxes. California Republican Chairman Halley says he favors the 10 percent surtax and reduction of federal spending by about \$8 billion.

Iowa Republicans want to abolish the electoral college.

Gov. Spiro Agnew of Maryland wants Republican platform makers to look into standardizing welfare payments in the 50 states. He realizes this is considered idealistic, but he points out that it would discourage the flow of destitute people from the South to the East.

Kansas Republicans consider an issue this election year to be the credibility (or lack of same) of public officials as well as candidates themselves.

The private sector should be encouraged, say Iowa Republicans, to help solve problems of housing, education and employment. They also endorse the idea of a federal income tax deduction up to \$2,000 per dependent for part of the educational costs beyond high school.

Several weeks will pass before rough drafts of Democratic and Re-

publican platforms become final. Party platforms these days are deadly serious, but they haven't always been.

For many years platforms meant little more than a big blast on a coaching horn which would do no more than warn the countryside that the party was coming.

In 1948 they came to mean something and it was one of the leading candidates today—Hubert Humphrey—who indirectly gave them meaning.

Humphrey, then one of the Young Turks of the Democratic Party made an impassioned stand for a strong civil rights plank. Because of Humphrey's stand, some Southern delegations bolted.

Ever since then party platforms have been put together gingerly because they can be dynamite. **END**

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YOU CAN GET BETTER FACTS

These pointers can help you obtain the information you need for more effective decisions

Executives who have started up a new computer, even one of modest capacity, frequently have been appalled at its voracious appetite for information.

And executives who must dig up information to satisfy the computer get another shock when they realize how much of their business seemingly has been conducted on intuition, guesswork or luck.

Consequently there is a major movement across industry today. It is described as an information revolution—a drive to learn more, to get more facts and to make a better analysis of available information before making major decisions.

Effects of this movement are being felt all through business—from manufacturers and suppliers to retailers and service organizations. All are being forced to become more knowledgeable.

Being knowledgeable requires not only the ability to apply information, but also the ability to collect it efficiently and intelligently in the first place. Four factors are involved:

- ▶ The nature of information.
- ▶ Sources of business information.
- ▶ Methods of acquiring new information.
- ▶ Relating information to your problem.

Harold S. Geneen, president of International Telephone & Telegraph Corp., says: "Being smart is merely a matter of getting all the facts; once you know everything about a problem, the right answer is obvious."

The problem is to know when you are getting facts and when you're getting information that only sounds factual. All facts of importance to a management problem usually fall into one of three general classes: statistical, historical and empirical.

Nature of information

Statistical information consists of enough facts of the same kind to be isolated and counted as a group. As samples, psychologist Horace C. Levinson, in his book "Chance, Luck, and Statistics," suggests these:

1. Railroad or airline passenger traffic loads.
2. Sales of items in a retail store or mail-order house.
3. Birth and death records of a group of the population.
4. Height of American males.

Possible use:

1. To determine in advance the most probable service requirements.
2. To estimate future demand, seasonal selling characteristics and so forth.
3. To plan specialized life insurance coverage for that group.
4. In tailoring or coffinmaking.

Note that these statistics are generally available from government census data, Army induction statistics, Interstate Commerce Commission figures. The executive or company that needs them would do well to gather such statistics on a continuing basis. The system can be as simple as an envelope into which you or your secretary puts

an occasional newspaper or magazine clipping, company report or whatever—on up to a daily updating of a computer data bank.

Before you apply statistical information, you must often first decide which set of facts to work with. This may require adding some historical information on past experience as a guide to making a selective judgment.

Often decisions must be made on problems where there is no previous record—either statistical or historical. This is particularly true in production and development. Usually the best available information then is *empirical*: what you can see by taking a good look.

Sources of information

Today it is never a problem to find some information on almost any subject. What you must consider is how to learn the most in the least amount of time.

If you want just a simple definition of a word, you consult a desk dictionary. If this doesn't tell you enough, you go to a more comprehensive source: an unabridged dictionary or encyclopedia. If you need still more information, you turn to a specialized reference. It is the same with other information. You start with yourself, then spread out if you need more.

Here are some readily accessible sources of information:

Your own knowledge, based on experience. This is as valuable as anyone else's when you first start to gather information.

Other people's knowledge, based on their experience. Judgment enters into an information-gathering effort the minute you begin to depend on others. There are times when you must take another person's word and work with it.

Public records form another source of generally available information. It has been estimated that 10 to 30 per cent of a scientific project's cost can be saved by gathering and interpreting the literature on hand.

Much information is already available in your company's records—though you may need the equivalent of a fact-finding bloodhound to track it down.

Usually, the facts were first collected for some entirely different purpose, and will be filed under that classification rather than your

immediate needs. So, identify and ask for information by type.

It is easy, in the quest for information, to forget such sources as your public library, trade and industry associations and the government. Some of this is probably due to the common feeling of every person that his problem is unique. But the fact is that other people have similar problems. Some of them may have solved them and let the results be known. In which case, they are undoubtedly recorded somewhere.

The last resort type of information should be that obtained from *original research*. This is not to decry original research in such fields as economics and sociology. But most business problems can be solved without this most expensive of information-gathering techniques. If, however, all other resources fail, then do what is necessary: Go after your own original information.

Acquiring information

The first step is to prepare a summary of what you already know and a comparable summary of what you need to know. This isolates the specific questions to be answered and determines just who can be considered as sources of answers. Such a step is also necessary because it may, of itself, suggest alternatives.

Once you know what information you need and the best sources of it, next develop an information-collecting plan. Put down the objective of the project—a statement in writing why the research is being started and what you expect to get out of it. Then get the agreement, also in writing, of everyone else who will have to accept or use the information once it is generated.

Another key step is to break your big questions down into small ones. In the General Electric Co.'s value engineering courses, students are given a project of cutting the costs of an electric motor by 30 per cent. They are first taught, however, to stop thinking of the motor as a finished unit and to begin thinking of it as a series of smaller components which can be questioned for their individual value. Data furnished to the students gives a further summary of how the problem is broken down:

Present costs of each component in the motor.

Names of present vendors.
Drawings and specifications.
Estimated quantities of components used each year.
Materials specified.
Design and performance data.
Planning and manufacturing paperwork and control procedures.
Present methods of fabrication and assembly.
Manufacturing cost and time data.

Working from this detailed breakdown of cost items, the GE engineers then go to work to question each item systematically. This type of breakdown can be applied to almost any management problem.

If your information hunt involves other people, some thought should be given to how you can make it easier for them to supply the information. This may involve trying different forms of a question to make sure it won't be misunderstood.

Dr. William S. Howell, professor of speech at the University of Minnesota, says, "An executive too often tends to ignore the strong possibility that what he told a subordinate is unclear. He does not listen or watch for the other's response. He has fallen into the pitfall of assuming that others know what he is thinking, or that they have his knowledge about a particular problem."

Once you have tested your questions and selected those you need, they should be organized into a logically sequenced questionnaire. Even if you interview people personally, prepare the questionnaire. Having the questions down in writing helps to insure that you will ask the important ones.

As you begin collecting answers, you can concurrently begin to evaluate them. Dr. Ralph Nichols, co-author of "Are You Listening?" has these suggestions which also apply to evaluating responses to questions: "Weigh the speaker's evidence by mentally questioning it. As he presents facts, illustrative stories and statistics, ask yourself: 'Are they accurate? Do they come from an unprejudiced source? Am I getting the full picture, or is he telling me only what will prove his point?'"

Another helpful technique is to collect and refine by revision. Start with an original plan; begin to ask your questions; then, as the infor-

mation comes in, try to form some tentative conclusions which can be checked in the latter stages of the project. The original plan can be modified in favor of verifying or elaborating on particularly interesting information.

Relate information to problem

The real test of the value of any information lies in its relation to your problem.

If you properly prepare the problem in the first place, you will have some mental outline of the informational holes in your understanding. Then, as the facts begin coming, try to match information to need—determine where each new piece of information lines up with a part of the problem.

Finally, in every information-gathering activity, comes the time when you must put your findings to work—usually to arrive at a decision. If the risk is slight and the foreseeable consequences can be controlled, the easiest way to verify your facts may simply be to take the action indicated.

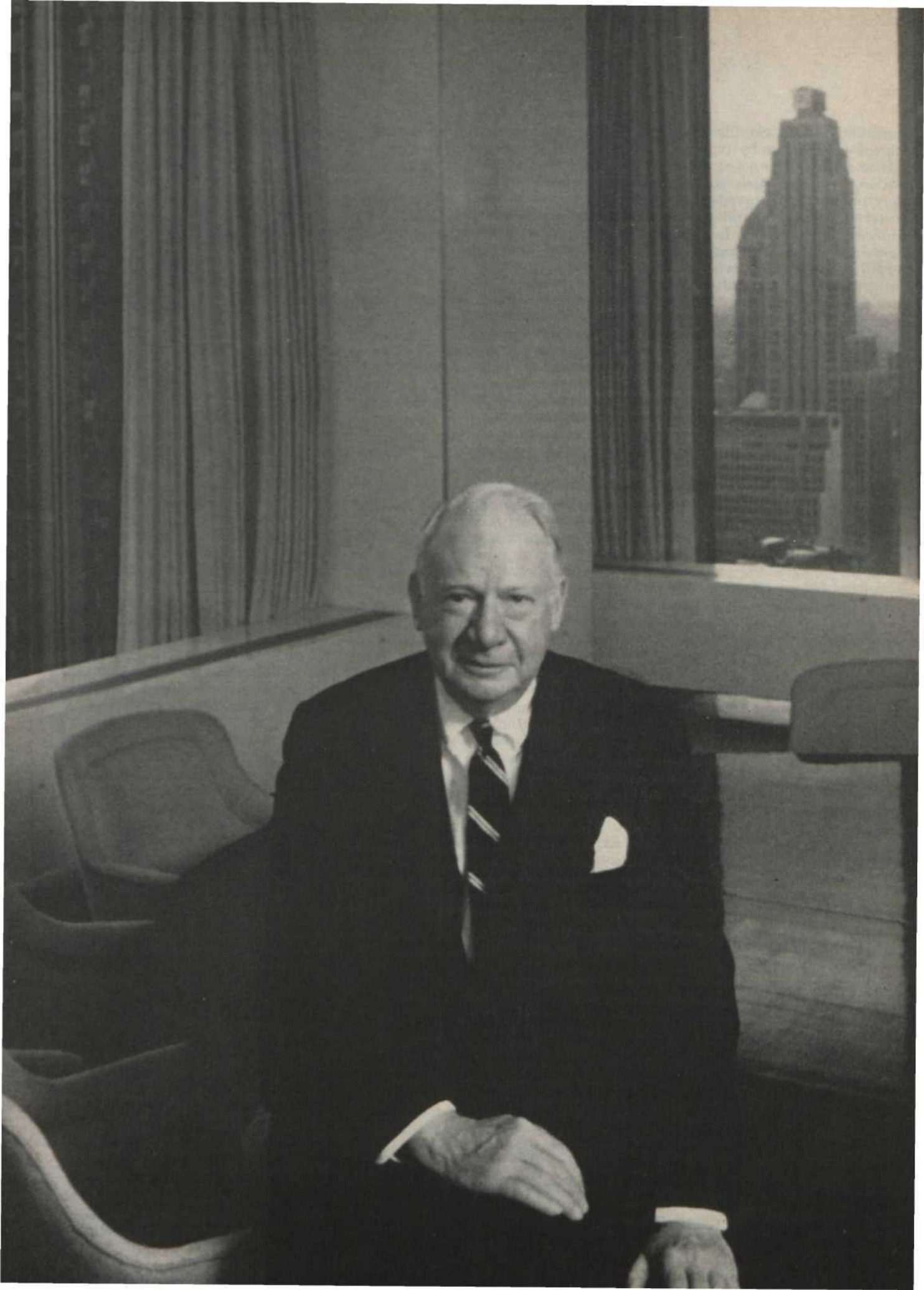
On the other hand, if the consequences of having wrong or incomplete information could be serious, a better plan is to attempt a paper solution to the problem: Write out how you think the situation can or should be handled and submit it to a group for a critique.

Gathering a full fact-file of meaningful information is not always easy. Usually the more important the decision, the more difficult it is to get sufficient information. But information-gathering can be efficient if it is planned and if a continuing effort is made to evaluate it and relate it to the problem at hand right from the start.

To paraphrase management authority Peter F. Drucker's classic statement on efficiency, "There is nothing so useless as doing efficiently that which should not be done at all," we can say, "There is no activity more wasteful than diligently learning that which has no value."

—JOSEPH G. MASON

REPRINTS of "You Can Get Better Facts" may be obtained from *Nation's Business*, 1615 H St., N.W., Washington, D.C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance.



INVESTING IN PEOPLE'S FUTURE

Equitable Life's James F. Oates Jr. talks about loneliness of decision making, needs of cities and boldness in capital financing

When James F. Oates Jr. was a young lawyer, he learned two vivid lessons: Sticky problems can't be pushed aside and the fellow on the other side of the table in any court contest can be every bit as smart as you are.

"I became a 'do it now' man," he says as the result of the first lesson. And from the second, "I learned that my only chance to win came from a willingness to do more work than the other fellow."

Doing it now and working a bit harder are trademarks with Mr. Oates, chairman of the board of The Equitable Life Assurance Society, a company with assets of more than \$13 billion.

Mr. Oates has a zest for living and deep compassion for what he calls the current "agony of our cities."

It was he who suggested the life insurance industry look to city slums as places of investment. Out

of this came last year's notable commitment of \$1 billion to be used in rebuilding the ghettos.

"Every business enterprise operates to meet human needs through the use of capital," he believes and adds that business succeeds only when it recognizes new needs and serves them.

At 68, Mr. Oates puts in a 60- to 70-hour workweek, loves to relax by slipping away with his wife to a favorite fishing hole.

In his office high in the gleaming aluminum and glass Equitable headquarters building on the Avenue of Americas in New York City, he talked about his industry and his beliefs with a NATION'S BUSINESS editor.

Is it true in choosing a career you made a choice between the ministry and business?

Well, in a very general sense, I think that is true.

When I was an undergraduate at Princeton, I was captivated by the philosophy courses and I necessarily became involved in asking myself: What is the area of vocation which would be the most satisfying to me?

My father, who was with the YMCA when I was born, was always a very active man in our church in Evanston, Ill. I was active in Sunday school work, including the teen-age programs. So I had this religious background and I seriously wondered whether or not I shouldn't go to divinity school and into the ministry as a career.

But I recognized that I didn't have the true qualities which such a career requires. Also I became interested in the possibility of studying law and after I graduated, went to the Northwestern University Law School in Chicago.

Adlai Stevenson and former Post-

master General J. Edward Day were members of the same law firm with you, weren't they?

Well, it was some time after I went into that office that these other gentlemen came along. I finished my work at law school in February, 1924, and got a job in this firm, which was then named Cutting, Moore & Sidley. Adlai came into that office in September, 1926, and it was some years after that that Ed Day became one of the members of our lawyer group.

You were chairman of The Peoples Gas Light & Coke Co. in Chicago at the time you became president of Equitable?

That's right. I was chairman of Peoples Gas from 1948 until I came to New York, to the Equitable, on June 1, 1957. I had been elected a director of Equitable in August, 1955, and I was a director when I was invited to become president.

You have long urged business leaders to become involved in urban problems. Why do you feel this is so important?

I have two related, but somewhat distinct, reasons.

In the first place, it seems to me to be quite clear that no business can succeed over the long term if the community in which the business operates is not a solid, sound and productive community.

Certainly, the education, health, welfare and sense of social responsibility of the people of the community have an awful lot to do with whether or not any business in that community will be successful.

And certainly the stronger, richer, more prosperous and productive that the people of the nation are, the more advantaged will be the life insurance business. The investments of the policyholders' money in the business and properties of America are certainly enhanced and better protected, the better educated and better fed the people are.

So that this is just a business reason—obvious, it seems to me.

And the second reason is a philosophical recognition that society perishes when the individual loses concern for the welfare of all. As a human being, I think we are all inspired by the view that we are here to serve each other and that we must operate in cooperation with each other.

You first suggested life insurance companies invest in the slums, didn't you?

I think that may have been just fortuitous. I was privileged to give the so-called McKinsey Lectures at the Graduate School of Business of Columbia University last year. In those lectures, we developed the view that the criteria of sound investment for a life insurance company should include service of the public interest, as well as the security and soundness of the investment.

In this day and age, you have to be smart enough to make an investment that is not only sound and satisfactory in its rate of return, but will also play its part in furthering the welfare of the country and the productivity and health of the people.

Life insurance people have hundreds of millions of dollars invested in the cities, in city real estate and buildings and industrial plants and everything else. So it was only consistent with that announcement of our point of view that we should try by investment performance to alleviate and substantially reduce the cancer in the city slums.

I was happy that, having expressed these views, the life insurance industry, with the leadership of others than myself, evolved the \$1 billion program.

In the McKinsey Lectures, you urged participation of the people within the community to be helped.

Yes. I think, in the final analysis, that is the number one guideline for effective work in the city slums, in the ghettos.

The reason I say that is simply that cities are no more than the people who live in them—no more and no less. The individual is the fundamental unit of life and certainly of all business life.

You can change the habitations and improve the real estate constituting a slum area, but you haven't done a thing if you haven't served the interests, desires, expectations and hopes of the people.

In other words, it isn't enough just to change the physical environment.

I believe that. I think that every effort must be made, first, to find out what the people want and need.

This will take a great deal of capital investment, won't it?

Oh, yes, it is going to take enormous sums of money; many years

of time, faith and patience. And it is going to require an awful lot of profound courage because it is difficult to recognize, in terms of our life, just what it is that constitutes the "slum culture" that the slum inhabitants are proud of and comfortable with.

There are third-generation families in cities with poverty and welfare a way of life, unemployment a way of life. You are never going to cure the agony of a city unless you appreciate that the people in the slums have appetites and interests. And we know to our horror that they have bitterness and fear; they are resentful and alienated.

The life insurance industry has always been fluid in its investment policy, hasn't it?

Yes, I think it has made a remarkable contribution to the welfare of the people through the intelligent and bold investment funds which otherwise would not have been available.

I made a speech some years ago at the Bond Club downtown in which I itemized eight or 10 types of investments which were first made by life insurance companies and which could not have been made otherwise.

One of the most spectacular illustrations is, of course, the financing of the very expensive jet planes by the private airlines. The United States private airlines are the only ones in the world which have jet planes, other than through government ownership and operation. And it was the life insurance companies of America who recognized that the jet plane was highly important, dramatically useful, and supplied the funds with which the airlines acquired the planes.

These investments have proved to be profitable. They have been sound. They have given us a good rate of return and the public has been greatly served.

There are lots of illustrations. Take the big interstate natural gas pipelines. Never in the world could they have been built by going to the public and asking for subscriptions. They were built by the entrepreneur, with the solid backing of scientific opinion and with the funds constituting the savings of the insurance policyholders of the country.

You once said leadership is a lonely position. What did you mean?

What I said, I think, was "There

is no loneliness equal to that of the final decision." And I think you can see what that means, where you, by the very nature of affairs, are sure to get all of the tough questions in the operation of your business. As the chief executive, you can be sure that day after day, week after week, you are repeatedly required, all alone, to make the decision because you and you alone have the responsibility. And that is a lonely business.

What was the hardest decision you ever had to make?

Oh, I can't answer that. I could illustrate the kind of decision which I think is really pretty tough.

When I was in the gas business, the people of the City of Chicago were standing in line to acquire gas to heat homes. They wanted it because it was cheaper than oil, and cleaner.

We couldn't supply the gas to heat the homes for the people of Chicago unless we could find some way to bring natural gas near to the markets where it could be stored during the warm months, and be available when it would be needed to meet the demand in the winter.

We sought solutions of all kinds. The engineers and gas experts advised us that they had found a geological structure in the form of a dome with layers of sand, about a third of a mile below the surface, at the little town of Herscher, near Chicago.

We were told that we could pump the gas down into the sands which, incidentally, had never held gas but which were filled with salt water under pressure. Pumping gas down from the surface would push back the salt water in this porous sand and you would have the use of the hydraulic pressure of the water to get the gas up when you wanted it.

But they said they couldn't assure us that if we put the gas down, it wouldn't leak and the only way to find out was to try it. You couldn't try it just a little bit. The minimum test would cost \$25 million and it could involve some jeopardy to the people living in the area if gas escaped.

I became convinced that the jeopardy was not real and that we could control it. So the decision to sponsor and push that development, that test, I guess, was as tough a decision as I ever had to make.

Your friends characterize you as a "do it now man."

I remember very well, about 1925



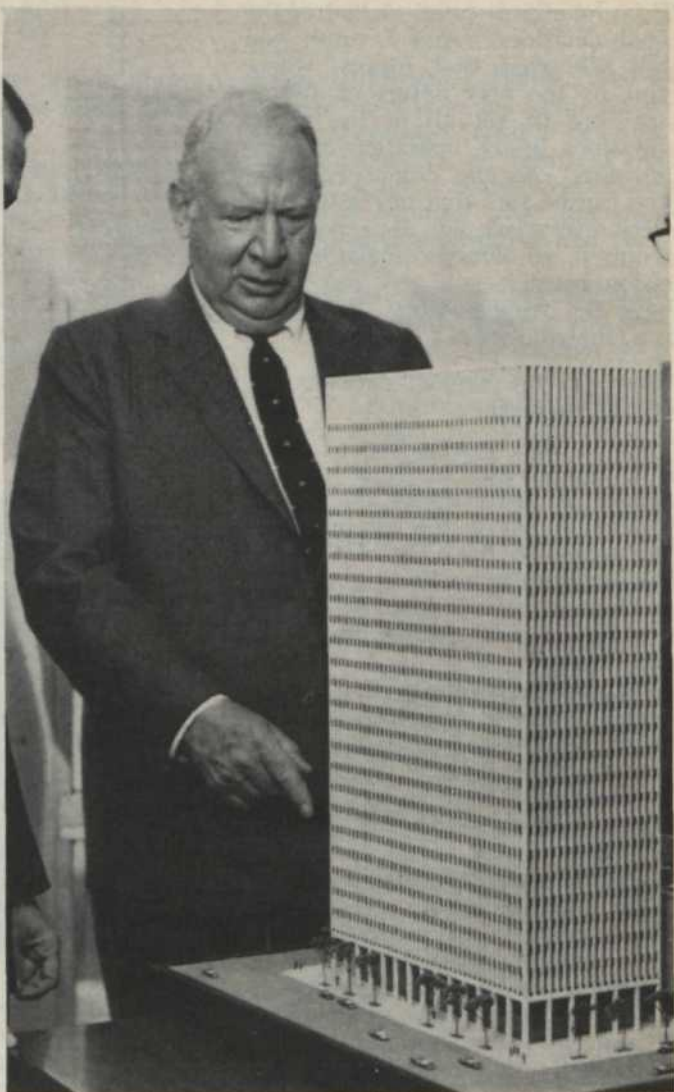
When it comes to growth, your community is no different from nature. Both need extra nourishment to speed things along. Creating the right climate and the proper growing conditions for your community is a major aim of your local chamber of commerce. Ideas sown today need careful cultivation if your city is to reap the benefits tomorrow. Experience shows that it takes many people—shoulder to shoulder—to lighten the load and to insure a bumper crop of ideas and talents. If you are not already working for your city, why not join your chamber now. Maybe you have a green thumb where your community growth is at stake. ■



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Good reason why fishing is for James F. Oates.



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INVESTING IN PEOPLE'S FUTURE *continued*

or '26, I had been struggling with a kind of sticky legal research problem for one of the partners of our firm.

Because it wasn't an easy one, and because I couldn't seem to find any authority that was conclusive, it began to move further and further away from the center of the desk.

I will never forget, the partner walked in one day with a letter from the client saying that he was waiting patiently for our opinion. My senior said: "Jim this will not do."

"If you can't get these jobs done, we will find someone who can."

That is when I adopted a "do it now" belief. It is amazing how much easier it is to deal with your life if you get everything done as soon as you possibly can. You get

a tempo and a habit and a satisfaction out of it.

How do you relax?

Well, I have several interests. I enjoy the outdoors and Mrs. Oates and I go out to a club on Long Island almost every weekend, when we are not going down to Princeton for a football game or meetings. We both love to fish, and we spend a good deal of time on the streams and ponds of this club. And in the fall and winter we shoot, and that helps an awful lot.

I also do my share of reading for fun and I have an awful lot of enjoyment out of working for Princeton. I have been a trustee for a good many years there and I'm now the chairman of the executive committee of the board of trustees and that is a fascinating, inspiring ex-

perience, very rewarding. The greatest rest, of course, is another worry.

Would you explain that?

Just change your worries—and they rest you. If you try to go into a vacuum with no worry, no task, nothing on your mind, nothing to be done, you can be driven crazy.

As an executive, how do you motivate people to do their best?

I don't think I consciously have any rule or method. I believe the best procedure might be to be sure that you are the best example you know how to be and then let nature take its course.

Do you see any major new trends ahead for your industry?

Oh, I think there are all sorts of possibilities.

I think the life insurance indus-

try has begun to reflect the current passion for conglomeration which we see in business generally.

Driven by the tax laws, among other considerations, businessmen have turned away or begun to turn away from the operation, successfully, of a particular enterprise, into the buying and selling of enterprises.

In other words, there has been a tendency to regard business as the purchase and sale of businesses and not the operation of businesses.

I think that there are a lot of material potentials that are of value to the stockholders of an enterprise in this kind of effort. But I cannot help but wonder whether we are not going to pay an awful price in the lack of attention to the perfection of the product and services of the business itself, in its operation.

I think we can do well to remember that the fundamental basis for all future productivity, growth and success in business is the successful long-term operation of the particular business, the production, economically and promptly, of goods and services and their distribution and sale, at a profit.

You spoke with some feeling about working for Princeton. If you were

going to give advice to a young man just starting a business career, what would it be?

I think I would like to remind the young man that he should first make the best choice of which he is capable of a career that appeals to him, a career in which he feels he can exploit his natural interests and talents, and then forget about the other choices. Give this one everything you've got and don't plan to do anything but that.

Then, I think, the second thing I would suggest would be to remember that usually the other fellow is about as smart as you are.

One thing I learned, when I was trying lawsuits some years ago, was that the man on the other side of the table was every bit as smart as I was, and my only chance to win and prevail was to be willing to do more work than he did.

If you know you are better prepared than the other fellow because you are willing to do the work, then you will get your share of victories. It will help you create your opportunities. My father used to say, "When you are ready for your opportunities, they will be there."

Obviously you have enjoyed your life. Looking over it, would you do anything differently?

Oh, boy, there have been plenty of times when I wished it were different. I can't say that anything wasn't worthwhile.

I have never worried about tomorrow. I have found plenty almost every day to worry about today.

There is an awful lot of luck in life, and I know very, very well that my greatest opportunities, undoubtedly, arose from the fact that I was lucky enough to be there and available when the opportunity arrived. And there are lots of people—just lots of people—who would have been equally as effective.

The only thing you can be absolutely sure about, in my opinion, is the willingness to work a little harder—and enjoy it—and the inner glow that you get only when you realize that you are probably helping to perform a service needed by people. **END**

REPRINTS of "Lessons of Leadership: Part XXXVII—Investing in People's Future" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

Advertisers in this issue • June 1968

	Page
American Photocopy Equipment Co.	24
David L. Elias & Associates, Inc., Chicago	
American Telephone & Telegraph Co.	35
Data Management	
N. W. Ayer & Son, Inc., New York	
American Trucking Associations, Inc.	69
The Allman Co., Inc., Detroit	
Anchor Post Products, Inc.	95
Vanzant Dugdale and Co., Inc., Baltimore	
Armco Steel Corp.	20
Marsteller Inc., Chicago	
Armstrong Cork Co.,	Cover 2
Div. of Building Products	
Batten, Barton, Durstine & Osborn, Inc., New York	
Automated Business Systems Division of Litton Industries	43
(McBee Computer Services)	
John Vogeler Associates, Inc., New Canaan, N. Y.	
Bureau of Business Practice	1
KRC Associates, Mamaroneck	
C.I.T. Corporation	28
O. S. Tyson and Co., Inc., New York	
Canadian Pacific Railway Co.	62
Kenyon & Eckhardt Inc., New York	
Chevrolet Motor Div.,	23
General Motors Corp., Truck	
Campbell-Ewald Co., Detroit	
Clempoint, Inc.	18
Rieser/Dugan Advertising, Clifton Heights, Pa.	
Dixsteel Buildings, Inc.	22
Liller Neal Battle & Lindsey, Inc., Atlanta	
Evinrude Motors, Division of Outboard Marine Corp.	86
The Cramer-Krasselt Co., Milwaukee	
Farrell Lines, Inc.	16
Buchen Advertising, Inc., New York	
Ford Motor Co., Ford Truck	9
J. Walter Thompson Co., Detroit	
GMC Truck & Coach Div.,	52, 53
General Motors Corp.	
McCann-Erickson, Inc., Detroit	
GAF Film Corp.	14, 15, 85
Daniel and Charles, Inc., New York	

	Page
Hilton Hotel Corporation	54
McCann-Erickson, Inc., New York	
Holiday Inns of America, Inc.	63
Cosmopolitan Agency, Memphis	
International Harvester Co.	19
Motor Truck Div.	
Young & Rubicam, Inc., Chicago	
Kelly Services	12, 21, 50
Campbell-Ewald Co., Detroit	
Latham Time Recorder Co.	50
George and Glover, Atlanta	
Latta's, Inc., Micro-Print Data Machine.	13
Colle & McVoy, Waterloo, Iowa	
Lyon Metal Products, Inc.	17
Reinecke, Meyer & Finn, Chicago	
Minnesota Mining & Mfg. Co.	31
Copying Products Division	
MacManus, John & Adams, Inc., St. Paul	
Miami Lakes Inn & Country Club	62
Samuel B. Crispin and Associates, Miami	
Mott Corp.	18
J. D. Culea Advertising, Brookfield, Ill.	
Multiple Association Management Institute	68
Rodman Associates, Inc., Kensington	
New York Life Insurance Co.	6
Compton Advertising, Inc., New York	
Pitney-Bowes, Inc.	27
de Garino, McCaffery Inc., New York	
Ranco Industrial Products Corp.	21
Mt. Pleasant Advertising, Inc., Cleveland	
Robinson, Paul H., Jr., Inc.	66
Royalmetal Corp.	Cover 4
Buchen Advertising, Inc., New York	
Ryder System, Inc.	Cover 3
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Seaboard Coast Line Railroad	21
Tucker Wayne & Co., Atlanta	
Sheraton Corporation of America	67
Battan, Barton, Durstine & Osborn, Inc., Boston	
Stardust Hotel	68
Reach, McClinton & Co., Los Angeles	
Stenocord Dictation Systems	12
Charles Eley/Associates, Los Angeles	

	Page
Union Pacific Railroad	10
Industrial Development	
Geyer, Oswald, Inc., Omaha	
Uniroyal, Inc., Tire Company	4, 5
Doyle Dane Bernbach Inc., New York	
Regional Advertisements	
American Buildings Co.	102
Doug Pritchett Advertising, Inc., Columbus, Ga.	
American Electric Power Service Co.	51
Gardner Advertising Co., Inc., New York	
Bank of America	51
D'Arcy Advertising Co., San Francisco	
Banker's Trust Co.	96, 97
Doyle Dane Bernbach Inc., New York	
Continental Telephone Supply Co.	74
Meltzer, Aron & Lemen, Inc., San Francisco	
Freedom's Foundation	51
Treasury Department	32
U. S. Savings Bonds Div.	
General Public Utilities	47
J. M. Kesslinger & Associates, Newark	
Government of Manitoba	81
Department of Industry and Commerce	
Foster Advertising Limited, Winnipeg	
Magazine Publishers Association	81
Magazine Advertising Bureau, New York	
Marine Midland Corp.	81
Batten, Barton, Durstine & Osborn, Inc., New York	
Pennsylvania Power & Light Co.	94
Round Hill Associates, Inc.	80
Zam & Kirshner, Inc., New York	
Saunders Leasing System, Inc.	39
Luckie & Forney, Inc., Birmingham	
Vareco-Pruden, Inc.	32
Faulkner & Associates, Inc., Pine Bluff	
Wells Fargo Bank	81
McCann-Erickson, Inc., San Francisco	
Wisconsin Power & Light Co.,	88
Industry Development	
Ralph Timmons, Inc., Madison	

WHY COSTLY GOVERNMENT

Federal officials now feign surprise at the high costs of medicare.

As far back as 1964, NATION'S BUSINESS warned that officials' estimates were at least 300 per cent too low. Dr. Barkev Sanders, nationally respected authority on health and welfare statistics, made true estimates for NATION'S BUSINESS. He retired from government service because he couldn't persuade his superiors to use realistic cost figures.

To help get the bill passed, federal health and welfare officials told Congress the medicare law would cost only \$1.3 billion by 1970. Even though the benefits were subsequently restricted to make it less costly, the government now admits they will cost \$4.1 billion.

When NATION'S BUSINESS warned of the future high costs, Social Security's chief actuary wrote an irate letter to the editor denying that the government's estimates were wrong or that they were used to influence passage of the law.

Those phony estimates typify how potentially ultra-expensive welfare programs can be slipped through Congress. And the public shouldn't be fooled by wrathful denials of federal officials either.

Wrath doesn't make right.

Nation's Business



June 1968

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